

REPORT
ON THE
CITY OF COVINGTON—CITY OF CLIFTON FORGE
COUNTY OF ALLEGHANY
CONSOLIDATION ACTION



COMMISSION ON LOCAL GOVERNMENT
COMMONWEALTH OF VIRGINIA

CITY OF COVINGTON - CITY OF CLIFTON FORGE -
COUNTY OF ALLEGHANY CONSOLIDATION ACTION

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CITY OF COVINGTON - CITY OF CLIFTON FORGE -
COUNTY OF ALLEGHANY CONSOLIDATION ACTION

DEVELOPMENT OF CONSOLIDATION AGREEMENT

On October 11, 1983 certain citizens of the City of Covington, acting under the authority of Section 15.1-1132 of the Code of Virginia, presented the Covington City Council with a petition signed by the requisite number of City residents asking the Council to effect a consolidation agreement with Alleghany County and the City of Clifton Forge and to submit subsequently the plan of consolidation to referendum.¹ In accordance with statutory direction, a copy of that petition was concurrently presented to the Circuit Court of Alleghany County. In view of the fact that the Covington City Council failed to effect the consolidation agreement requested by the citizens' petition, and pursuant to the provisions of Section 15.1-1132 of the Code, on November 7, 1984 the Circuit Court of Alleghany County appointed a citizens committee to serve in lieu of the Covington City Council for purposes of developing the consolidation agreement requested by Covington residents.²

Acting under authority of the order of the Circuit Court of Alleghany County, the Citizens Committee began an extensive series of meetings with individuals, associations, and other public interest

¹Sec. 15.1-1132 of the Code of Virginia permits the qualified voters of a locality to initiate the development of a consolidation agreement by a petition signed by not less than 5% of the residents of that locality registered to vote as of the first day of January of the year in which the petition is filed.

²The statutory provision authorizing citizen petitions for the initiation of consolidation proceedings allows the governing body of the affected jurisdiction one year within which to develop the requested consolidation agreement. If the governing body of the affected locality fails for any reason to develop a consolidation agreement pursuant to the citizen petition within the one-year period, the judge of the circuit court serving the locality "shall appoint" a committee of five citizens of that locality "to act for and in lieu of" the governing body of the political subdivision. The Circuit Court of Alleghany County appointed Charles E. Nichols, Harold E. Matics, Kenneth L. Bryant, John E. Peters, and Robert R. Terry as members of the Citizens Committee to develop the requested plan of consolidation. The Citizens Committee selected Mr. Charles E. Nichols

groups concerned about the consolidation issue.³ Subsequent to such efforts, the Covington Citizens Committee commenced a series of meetings with representatives of Alleghany County and the City of Clifton Forge for purposes of developing a plan of consolidation.⁴ Following several months of negotiation a consolidation agreement was approved by the Covington Citizens Committee and the governing bodies of Alleghany County and the City of Clifton Forge proposing the establishment of the consolidated City of Alleghany Highlands and submitted to the Circuit Court of Alleghany County on September 3, 1985.⁵ Pursuant to order of that Court, and in accordance with statutory requirements, the parties jointly filed notice of the proposed consolidation with this Commission on September 11, 1985. That notice was accompanied by data and materials supporting the plan of consolidation.⁶ Further, in accordance with statutory requirements, the parties to the consolidation agreement concurrently gave notice of the proposed consolidation to 35 other local governments with which they individually or collectively shared functions, revenue, or tax

and Harold E. Matics as Chairman and Vice Chairman, respectively.

³During February and March 1985 the Covington Citizen's Committee held four public hearings and conducted at least seven work sessions with agencies and officials serving residents in the Alleghany Highlands area.

⁴The Covington Citizens Committee held approximately 30 work sessions with representatives of the Alleghany County Board of Supervisors and the City Council of the City of Clifton Forge. The Citizens Committee was assisted in its efforts to develop a plan of consolidation by Dr. Orion White, a Commission-designated mediator, from Virginia Polytechnic Institute & State University.

⁵See Appendix A for the complete text of the consolidation agreement. See Appendix B for the charter bill enacted by the 1986 session of the General Assembly for the proposed City of Alleghany Highlands.

⁶"In the matter of the review of the consolidation of three local governments into a single city as proposed by the Consolidation Agreement between the County of Alleghany, Virginia, the City of Clifton Forge, Virginia and the Committee appointed by Order of the Circuit Court of Alleghany County to act for an in lieu of the

sources.⁷

On September 24, 1985 the Commission met with representatives of the Covington Citizens Committee, Alleghany County, and the City of Clifton Forge for purposes of establishing a schedule for its review of the proposed consolidation. Consistent with the schedule adopted at that meeting, the Commission received oral presentations from the parties on December 16, 1985. In addition to its receipt of written materials and testimony from representatives of the parties to the proposed consolidation, the Commission also solicited comment from other potentially affected localities and from the public. Each political subdivision receiving notice of the proposed consolidation from the parties under the provisions of Section 15.1-945.7(A) of the Code of Virginia was invited to submit testimony on the proposed action for the Commission's consideration.⁸ Further, the Commission held a public hearing, advertised in accordance with requirements of Section 15.1-945.7(B) of the Code of Virginia, on the evening of December 16, 1985 at the Alleghany High School in Lowmoor, Virginia. The public hearing was attended by approximately 100 persons and produced testimony from 17 individuals. In order to receive additional public comment, the Commission agreed to keep open its record for the receipt of written testimony through January 17, 1986.

governing body for the City of Covington" (hereinafter cited as Consolidation Notice), submitted to the Commission on Local Government on Sep. 11, 1985. On December 4, 1985 the parties submitted to the Commission a supplemental set of documents, entitled Exhibits Volume, in conjunction with its review of the proposed consolidation. The parties also requested that all materials considered by the Commission in conjunction with its review of the proposed City of Covington annexation action be incorporated by reference in the record of the consolidation proceedings.

⁷Sec. 15.1-945.7(A), Code of Va. The City of Covington was included in the list of localities notified by the parties to the consolidation agreement.

⁸The City of Covington was invited by the Commission to testify in the proceedings.

SCOPE OF REVIEW

The law establishing the Commission on Local Government states that the General Assembly's fundamental purpose in creating such a body was to provide a mechanism to "help ensure that all of [the Commonwealth's] counties, cities, and towns are maintained as viable communities in which their citizens can live."⁹ Guided by this expression of fundamental legislative intent, the Commission is charged with reviewing certain proposed consolidations and other local boundary change and governmental transition issues before such proposed actions are presented to the court for disposition. In undertaking such reviews, the Commission is required to "investigate, analyze, and make findings of fact, as directed by law, as to the probable effect on the people" residing in the areas affected by the proposed action.¹⁰ While the Code of Virginia directs that the Commission's findings and recommendations in each case be based upon the criteria and standards prescribed by law for the disposition of the issue in question, the Commission is also cognizant of the fact that its analyses must be guided by the legislatively decreed concern for the preservation of the viability of all the Commonwealth's localities.¹¹

In this report the Commission will review a consolidation action proposing the governmental integration of the City of Covington, the City of Clifton Forge, and Alleghany County. In this instance the Commission is confronted with a task never before, to our knowledge, undertaken by any State judicial or administrative body in the nation - namely, a critical review of a proposed governmental consolidation. Thus, the Commission approaches this undertaking not only with an ap-

⁹Sec. 15.1-945.1, Code of Va.

¹⁰Sec. 15.1-945.3, Code of Va.

¹¹Sec. 15.1-945.7(B), Code of Va.

preciation of the significance of the issue for the affected localities and for this Commonwealth, but with recognition as well of the precedent-setting nature of its review.¹² We trust that this report will be of assistance to the citizens and elected leadership of the affected jurisdictions and to the Commonwealth generally with respect to the protection and preservation of the viability of its local governments.

GENERAL CHARACTERISTICS OF THE CITY OF COVINGTON,
THE CITY OF CLIFTON FORGE, AND ALLEGHANY COUNTY

CITY OF COVINGTON

The City of Covington, which can trace its legal foundation to the early part of the 19th century, was incorporated as a town in 1833 and was granted independent city status in 1952. In the latter year Covington experienced its last boundary adjustment, bringing within its corporate limits 3.4 square miles of territory formerly a part of Alleghany County.¹³ As in the case of many other Virginia municipalities, the City of Covington experienced a population loss during the previous decade, with its populace decreasing between 1970 and 1980 from 10,060 to 9,063 persons, or by 9.9%.¹⁴ Further, official population estimates for 1984 reveal that, as of that date, the City's populace had declined to 7,800 persons, a decrease of 13.9% since the preceding decennial census.¹⁵ Based on the population estimate for

¹²Previous consolidation issues in Virginia have been effected by referendum or accomplished by other statutory arrangements which did not require prior critical analysis by the courts or by an administrative body. The Commission on Local Government is not required to review consolidations which propose the creation of consolidated counties.

¹³See City of Covington, Exhibits for Annexation (hereinafter cited as Covington Annexation Exhibits), July 28, 1983, p. 7. See Appendix C for a statistical profile of the City of Covington, the City of Clifton Forge, and Alleghany County.

¹⁴U. S. Department of Commerce, Bureau of the Census, 1980 Census of Population, Number of Inhabitants, Virginia, Table 2.

¹⁵Julia H. Martin and David W. Sheatsley, Estimates of the Population of Virginia Counties and Cities: 1983 (Final) and 1984

1984 and its present land area of 4.39 square miles, the City has a population density of 1,777 persons per square mile.

With respect to the nature of its population, the data disclose that the City's populace is considerably older and less affluent than that of the State as a whole. The evidence reveals that, as of 1980, the median age of Covington residents was 35.2 years, a statistic greater than that for the State generally (29.8 years).¹⁶ Further, the percentage of the City's 1980 population age 65 and over was 17.7%, or nearly double the comparable statistic for the State overall (9.5%).¹⁷ Furthermore, the aging nature of Covington's population is evidenced by the fact that between 1970 and 1980 the number of the City's married families with children under age 18 decreased by 29.6%, a demographic change in marked contrast to that for the Commonwealth generally (+4.6%).¹⁸ In terms of income, data reveal that the per capita adjusted gross income (AGI) of Covington residents as reported for State tax purposes in 1984 was \$7,157, or only 75.2% of the comparable figure for Virginia overall (\$9,514).¹⁹ Further, Covington's projected 1986 median family income is reported to be \$24,180, or only

(Provisional) (Charlottesville: Tayloe Murphy Institute, University of Virginia, 1985).

¹⁶U. S. Department of Commerce, Bureau of the Census, 1980 Census of Population, General Social and Economic Characteristics, Virginia, Tables 6, 171.

¹⁷Ibid.

¹⁸U. S. Department of Commerce, Bureau of the Census, 1970 Census of Population, Characteristics of the Population, Virginia, Table 36; and 1980 Census of Population, General Social and Economic Characteristics, Virginia, Table 173. The number of married families with children in the City of Covington has probably decreased since 1980 due to the estimated population loss since that year.

¹⁹John L. Knapp and Robert W. Cox, Distribution of Virginia Adjusted Income by Income Class and Locality, 1984 (Charlottesville: Tayloe Murphy Institute, University of Virginia, 1985). It should be noted that the "adjusted gross income" (AGI) statistic is derived from State income tax returns, and, thus, the term does not include certain forms of nontaxable personal income. See the definition of AGI given

78% of that for the Commonwealth as a whole (\$31,148).²⁰ These data reflect an aging and relatively poor community.

In regard to the City of Covington's general fiscal health, a 1985 study by the State's Joint Legislative Audit and Review Commission (JLARC) suggested that Covington is one of Virginia's most fiscally stressed localities. Based on consideration of five factors (revenue capacity, change in revenue capacity, tax effort, change in tax effort, and poverty measures), the JLARC study found that, as of 1983, only 18 of the State's 136 counties and cities had a degree of fiscal stress greater than that calculated for the City of Covington.²¹

With respect to the nature of the City's present physical development, 1983 land use data reveal that 30% of Covington's total area is devoted to residential development, 4% is engaged in commercial enterprise, 8% is committed to industrial activity, 6% is utilized for public or semi-public purposes, with 36% (1,414 acres) remaining

in Appendix K, n. 2.

²⁰John L. Knapp and Robert W. Cox, Projected 1986 Median Family and Median Household Income in Virginia's Counties, Cities, MSAs, and Planning Districts (Charlottesville: Tayloe Murphy Institute, University of Virginia, June 1986). The income concept used in this report encompasses all forms of money income except capital gains, but it excludes nonmonetary income such as net imputed rent from owner-occupied houses and the value of food stamps.

²¹Joint Legislative Audit and Review Commission, Local Fiscal Stress and State Aid, House Document No. 4, 1986, Appendix A. In this study JLARC developed four different methods for measuring local fiscal stress. The statistics cited here are based on Method 1. While, in general, there is a high degree of convergence in the results generated by the four distinct methods, Method 1 is preferred by JLARC due to the added weight given "change in revenue capacity" and "tax effort" in that calculation. In support of Method 1 JLARC stated:

"The 'change in revenue capacity' and 'level of tax effort' indicators were given added weight in the composite index because of their importance in assessing fiscal position. A local government with a low growth in its tax base faces the immediate stress of having to increase revenue through tax-

vacant.²² The City has asserted, however, that of the 1,414 acres of vacant land within its corporate limits, only 774 acres are located on tracts of sufficient size to provide opportunity for significant development.²³ Of this vacant land, moreover, 588 acres are situated on slopes in excess of 15% or are located in the 100-year floodplain.²⁴ The exclusion of this environmentally restricted acreage leaves the City only approximately 142 acres of vacant property zoned for residential, commercial, or industrial usage with significant development potential. Thus, the City has only a modest amount of vacant land on which to promote new development.

Despite its demographic and fiscal difficulties, the City of Covington remains a focal point of the economy and corporate life of the Alleghany Highlands area. According to 1980 data, the City of Covington not only provided employment to a large number of Covington residents (2,520), but also to a significant number of persons then

tion or having to cut operations or service expenditures.

The level of tax effort was weighted more heavily because a local government with high tax effort has little flexibility to increase revenues by raising taxes." (Ibid., p. 23.)

²²City of Covington, Annexation Notice (hereinafter cited as Covington Revised Annexation Notice), Mar. 1984, Vol. I, Exh. 7. Due to delay in the Commission's review of Covington's proposed annexation resulting from agreement by the parties to continue their efforts to negotiate a settlement of the issue, the City submitted a revised set of annexation materials in March 1984. Approximately 16% of land within the City is used for road or railroad rights-of-way. The vacant land within the City's industrial park (50 acres) is not included in the vacant land category.

²³Ibid., Exh. 8 (Revised). The total of 774 acres of vacant property includes all vacant property zoned for residential development and situated on sites of two acres or more (635 acres), all vacant property zoned for commercial activity and situated on sites of two acres or more (8 acres), all vacant property zoned for industrial usage and located on sites of five acres or more (79 acres), and vacant property zoned for conservation purposes (52 acres).

²⁴Ibid.

residing in Alleghany County (2,974) and in the City of Clifton Forge (284).²⁵ Further, the concentration of governmental offices, professional facilities, and retail outlets in Covington adds to the City's role in the corporate life of its general area.

CITY OF CLIFTON FORGE

The City of Clifton Forge was incorporated as a town in 1884 and became one of the Commonwealth's independent cities in 1906.²⁶ While this municipality has also been one of the focal points of development in the Alleghany Highlands area during the 20th century, it too has confronted a loss of population and fiscal difficulties in recent years. Between 1970 and 1980 the City's population decreased from 5,501 to 5,046 persons, or by 9.0%.²⁷ Moreover, official population estimates for 1984 place Clifton Forge's population at 4,900 persons, a decrease of 3.0% during the four-year period since the decennial census.²⁸ Based on its 1984 population estimate and its present land area of 3.17 square miles, the City of Clifton Forge has a population density of 1,546 persons per square mile.²⁹

With respect to the nature of its populace, various data present a population profile for Clifton Forge quite similar to that for the City of Covington. Data reveal that, as of 1980, the median age of Clifton Forge residents was 39.4 years, a statistic considerably in excess of

²⁵Michael A. Spar, Transportation and Commuting in Virginia, 1980, (Charlottesville: Tayloe Murphy Institute, University of Virginia, 1984), Appendix 1.

²⁶Chester W. Bain, "A Body Incorporate": The Evolution of City - County Separation in Virginia (Charlottesville: The University Press of Virginia, 1967), Appendix A.

²⁷1980 Census of Population, Number of Inhabitants, Virginia, Table 2.

²⁸Estimates of the Population of Virginia Counties and Cities: 1983 (Final) and 1984 (Provisional).

²⁹The City's last annexation occurred on December 31, 1961 when 1.19 square miles of territory were brought within Clifton Forge's corporate limits.

that for the State overall (29.8 years).³⁰ Further, the percentage of City of Clifton Forge's 1980 population age 65 and over was 21.6%, again, a statistic far surpassing that for the State generally (9.5%).³¹ Moreover, like its neighboring municipality, the City of Clifton Forge experienced a decline in the number of married families with children under 18 during the previous decade. Between 1970 and 1980 the number of such families in Clifton Forge decreased 17.7%, a statistic in marked contrast to that for the Commonwealth as a whole (+4.6%).³² In terms of income, State Department of Taxation data disclose that the per capita AGI in Clifton Forge in 1984 was \$7,378, or only 77.6% of the comparable figure for the Commonwealth overall (\$9,514).³³ Further, the City's projected median family income in 1986 is reported to be \$26,376, or 85% of the comparable figure for the State generally (\$31,148).³⁴

In regard to the City's overall fiscal health, the previously cited JLARC study suggests that Clifton Forge is one of the Commonwealth's more fiscally stressed localities. That study revealed that, based on consideration of five factors (revenue capacity, change in revenue capacity, tax effort, change in tax effort, and poverty measures), only 8 of the Commonwealth's 136 counties and cities reflected, as of 1983, a degree of fiscal stress exceeding that for

³⁰1980 Census of Population, General Social and Economic Characteristics, Virginia, Tables 6, 171.

³¹Ibid.

³²1970 Census of Population, Characteristics of Population, Virginia, Table 36; and 1980 Census of Population, General Social and Economic Characteristics, Virginia, Table 173.

³³Distribution of Virginia Adjusted Gross Income by Income Class and Locality, 1984.

³⁴Projected 1986 Median Family and Median Household Income in Virginia's Counties, Cities, MSAs, and Planning Districts.

Clifton Forge.³⁵

In terms of the City's prospects for future growth, the Commission notes that, based on 1976 land use data (the latest available), 19.9% of the City's total area was devoted to residential development, 1.3% was engaged in commercial enterprise, 0.4% was committed to industrial activity, 4.9% was utilized for public or semi-public purposes, 20.2% was devoted to street and railroad rights-of-way, with 53.3% (1,046 acres) remaining agricultural, wooded, or vacant.³⁶ Of this vacant land, however, 188 acres were severely restricted in their development potential as a result of steep slopes, rock outcroppings, or location in the floodplain, while an additional 691.9 acres was reserved due to its forest value. Exclusive of those properties, the City of Clifton Forge contained, as of 1976, 166 acres of vacant land suitable and available for development. While these land use data are now a decade old, we believe they continue to reflect a generally accurate picture of the status of the City's fiscal development.

While the statistics reviewed above do not establish a profile of a robust municipality, the City of Clifton Forge remains one of the two centers of urban life in the Allegheny Highlands area. Its governmental offices, its public facilities, and its commercial activity are of significance to the general area. Indeed, 1980 data reveal that a total of 1,359 workers from outside Clifton Forge commuted to the City for employment.³⁷ The significance of Clifton Forge to such area residents is evident.

COUNTY OF ALLEGHANY

The County of Allegheny was established in 1822 from territory

³⁵Local Fiscal Stress and State Aid, Appendix A. See n. 20, *supra*.

³⁶Fifth Planning District Commission, Clifton Forge, An Inventory for Planning, 1976, p. 72.

³⁷Transportation and Commuting in Virginia, 1980. This analysis indicates that 734 of those workers commuted from Allegheny County

formerly a part of Bath and Botetourt Counties.³⁸ In contrast to its neighboring municipalities, between 1970 and 1980 the County's population increased from 12,461 to 14,333 persons, or by 15.0%.³⁹ Population estimates for 1984, however, place the County's population at 13,700 persons, a decrease of 4.4% since the preceding decennial census.⁴⁰ Based on its 1984 population estimate and an area of 444.4 square miles, the County has an overall population density of 30.8 persons per square mile.⁴¹

In terms of the nature of its population, various statistical measures present a population profile similar, but not identical, to that of the adjoining municipalities. As of 1980 the median age of residents of Alleghany County was 31.5 years, a figure slightly in excess of that of the State as a whole (29.8 years).⁴² The data reveal that, as of the same year (1980), 10.6% of the County's population was age 65 and over, again, a statistic slightly in excess of that for the State generally (9.5%).⁴³ Moreover, in notable

and another 144 from the City of Covington.

³⁸J. Devereux Weeks, Dates of Origin, Virginia Counties and Municipalities (Charlottesville: Institute of Government, University of Virginia, 1967.) Alleghany County also initially embraced territory now part of Monroe County, West Virginia.

³⁹1980 Census of Population, Number of Inhabitants, Virginia, Table 2.

⁴⁰Estimates of the Population of Virginia Counties and Cities: 1983 (Final) and 1984 (Provisional).

⁴¹The exclusion of State and federal lands (223 square miles) and the persons residing on such lands would substantially alter the population density figures. Due to the uncertain number of persons residing on such property, a precise density figure based upon such exclusions is not available.

⁴²1980 Census of Population, General Social and Economic Characteristics, Virginia, Tables 62, 171.

⁴³Ibid.

contrast to the experience of Covington and Clifton Forge, the number of married families with children under 18 years of age increased in the County between 1970 and 1980 by 7.6%, a figure surpassing that for the Commonwealth overall (+4.6%).⁴⁴ In terms of income, State Department of Taxation data disclose that Alleghany County had a per capita AGI in 1984 of \$7,719, or 81.1% of the comparable figure for the State generally (\$9,514).⁴⁵ Further, the County's projected 1986 median family income has been calculated to be \$27,631, or 89% of the comparable statistic for the State as a whole.⁴⁶ In sum, these data suggest that Alleghany County has a population somewhat younger and more affluent than that of its neighboring municipalities.

Consistent with the above-cited statistics, the recently completed JLARC study reported that, according to 1983 data, Alleghany County had significantly better fiscal condition than Covington or Clifton Forge. Based on consideration of the same five factors (revenue capacity, change in revenue capacity, tax effort, change in tax effort, and poverty measures), the JLARC study found Alleghany County to have a degree of fiscal stress slightly less than the average for all the Commonwealth's cities and counties.⁴⁷

Due to the nature of its topography and land ownership patterns, agricultural operations do not represent a major component of Alleghany County's economic base. In 1982 the average market value of agricultural products sold by Alleghany County farms was \$7,438, a

⁴⁴1970 Census of Population, Characteristics of the Population, Virginia, Table 36; and 1980 Census of Population, General Social and Economic Characteristics, Virginia, Table 173.

⁴⁵Distribution of Virginia Adjusted Gross Income by Income Class and Locality, 1984.

⁴⁶Projected 1986 Median Family and Median Household Income in Virginia's Counties, Cities, MSAs, and Planning Districts.

⁴⁷Local Fiscal Stress and State Aid, Appendix A. See n. 21 supra.

product value less than one-fourth that for the State as a whole (\$30,986).⁴⁸ Moreover, more than half (56.6%) of the farm operators in Alleghany County were employed for 100 days or more in nonfarm activities.⁴⁹

Forestral activities and related industries, however, do constitute an important component of the County's economic base. Data reveal that, as of 1977, 393 square miles of territory, or 88.3% of the County's total land area, were then producing, or considered capable of producing, wood for commercial purposes.⁵⁰ Moreover, in 1983 there were approximately 1,500 employment positions in Alleghany County engaged in the production of paper and related products.⁵¹

The physical characteristics of the land (e. g., slopes and floodplains), as well as the fact that large tracts of property in the County are owned by the State and federal governments, have influenced the County's development. Data indicate, that as of 1979, less than 2.6% (12 square miles) of the County was utilized for residential, commercial, or industrial usage, while nearly 97.4% (433 square miles) remained agricultural, wooded, or vacant.⁵² The developed land in the County is largely concentrated in the valley of the Jackson River between the Cities of Covington and Clifton Forge. Outside the terri-

⁴⁸U. S. Department of Commerce, Bureau of the Census, 1982 Census of Agriculture, Virginia, Table 3. The average size of a farm in Alleghany County (186 acres) exceeded that in the State as a whole (182 acres).

⁴⁹Ibid., Table 5.

⁵⁰Virginia Division of Forestry, Forest Resource Data, Fifth Planning District, 1977, Table 2. In 1977 approximately 210 square miles of County territory were located in the George Washington National Forest.

⁵¹Virginia Employment Commission, Special Area by Industry Listing for Quarter 1-83, Area 005--Alleghany County.

⁵²Fifth Planning District Commission, Comprehensive Land Use Plan, Alleghany County, 1979, pp. 8-9.

tory bounded by those municipalities, Alleghany County has only limited development and restricted prospects for future growth.

STANDARDS AND FACTORS FOR CONSOLIDATED CITIES

In 1979 the Code of Virginia was amended to require, for the first time, judicial review and approval of all consolidations which proposed the establishment of a new consolidated city.⁵³ In 1985 the Code of Virginia was further amended to require this Commission's technical evaluation of such proposed consolidations prior to their being presented to the court for disposition.⁵⁴ In this report the Commission undertakes for the first time an effort to evaluate the establishment of a consolidated city. As noted previously, the Commission is required in its review to base its findings and recommendations upon the standards and factors prescribed for consideration in the disposition of consolidation actions.⁵⁵ Those standards and factors are set forth in Section 15.1-1130.8 of the Code of Virginia. The following sections of this report constitute the Commission's efforts to review the proposed establishment of the City of Alleghany Highlands in relation to those prescribed standards and factors. In the analysis which follows, the Commission has endeavored to offer comment based upon its collective experience in local governmental affairs and to leave questions of law for judicial resolution.

⁵³Ch. 85, Acts of Assembly, 1979.

⁵⁴Ch. 478, Acts of Assembly, 1985. The Commission has no statutory responsibility for the review of consolidations proposing the creation of consolidated counties.

⁵⁵Sec. 15.1-945.7(B), Code of Va.

POPULATION STANDARD

The Code of Virginia requires a proposed consolidated city to meet certain population and population density standards. However, in instances where the proposed consolidated entity includes an existing city, these population and population density standards are waived.⁵⁶ Since in this instance the consolidating units of government include two cities, the overall population and population density figures for the consolidated entity are irrelevant in terms of the statutory conditions for consolidation.

There are, however, statistics which should be noted regarding the population and population density of the proposed consolidated City of Alleghany Highlands. Based on the total area (452 square miles) and the 1984 estimated total population (26,400) of the three jurisdictions, the proposed consolidated city would have an overall population density of only 58.4 persons per square mile.⁵⁷ Excluding the property in State and federal land preserves (223 square miles) and that on slopes exceeding 15% or situated in the 100-year floodplain (188 square miles), however, the proposed consolidated entity contains an area of only 41 square miles of property available and generally suited for development. Assuming that 75% of the estimated 1984 population of the consolidating local governments (19,500 persons) is concentrated within those 41 square miles, that area would have a population density of 476 persons per square mile.⁵⁸ Thus, that developed area would have a population exceeding that in 19 Virginia cities and a population density in excess of that in the Cities of Chesapeake (358 persons/square mile) and Suffolk (113 persons/square

⁵⁶Sec. 15.1-1130.8(B)(I), Code of Va.

⁵⁷Consolidation Notice, p. 4.

⁵⁸While population, obviously, permeates the proposed consolidated entity, it is largely concentrated in the corridor bounded by the Cities of Clifton Forge and Covington.

mile).⁵⁹ In sum, while the consolidating entity contains a vast amount of undeveloped and undevelopable property, it embraces a corridor of development which is marked by significant urbanization. Moreover, as a result of the topography and ownership of property in the area, future development in the Alleghany Highlands is likely to be largely concentrated within this urban corridor.

FISCAL CAPACITY

In an endeavor to analyze the fiscal attributes of the jurisdictions which would constitute the proposed consolidated City of Alleghany Highlands, the Commission has reviewed various measures of the fiscal resources available to Alleghany County, the City of Clifton Forge, and the City of Covington during the period between 1974 and 1983.⁶⁰ In this analysis the Commission has considered per capita measures of each locality's (1) true real estate and public service corporation property values, (2) adjusted gross income, (3) taxable retail sales, and (4) composite measure of local fiscal resources based upon an integrated and weighted consideration of the three previous indices.⁶¹ While the data for these various measures of local fiscal resources show variation for each locality throughout the ten-year period, each jurisdiction experienced overall growth along each dimension during the period in question.⁶²

⁵⁹These calculations are based on 1984 population estimates and land area data revised through January 1, 1986.

⁶⁰See Appendix D.

⁶¹The integrated measure of wealth assigned a weight of 0.5 to true real estate and public service corporation values, 0.4 to adjusted gross income, and 0.1 to taxable retail sales. This assignment of varying weights parallels the weight given similar measures in the State's formula for the distribution of basic educational aid. In our calculations, however, we have substituted the measure of "adjusted gross income" for "personal income." This substitution was made because of errors which occurred in the attribution of personal income data to Virginia counties and cities in recent years.

⁶²It should be noted, for example, that while the City of Covington experienced a growth in per capita true real estate and

The Commission has also aggregated statistics for the three jurisdictions which would constitute the proposed consolidated City of Alleghany Highlands and has compared the aggregated statistic to comparable data for the State as a whole during the period from 1974 to 1983.⁶³ These data indicate that, measured on a per capita basis, the growth in fiscal capacity in the Alleghany Highlands has been less than that in the State as a whole (i. e., all counties and cities considered collectively) between 1974 and 1983.⁶⁴ In terms of the true value of real estate and public service corporation properties, the per capita value of such property in the Alleghany Highlands in 1974 (\$9,847) was 71.8% of the comparable figure for the State as a whole (\$13,711), while in 1983 the per capita value of such property in the Alleghany Highlands (\$17,573) was only 60.6% of that for the State as a whole (\$29,018). On the other hand, in terms of taxable retail sales and AGI per capita, the Alleghany Highlands experienced a slightly greater per capita growth between 1974 and 1983 than did the State generally.⁶⁵ However, based on the composite measure of local fiscal resources (e. g., true real estate and public service corporation property values, taxable retail sales, and AGI), the per capita statistic for the Alleghany Highlands decreased from 73.5% to 64.7% of the comparable figure for the State generally during the ten-

public service corporation property values during the ten-year period, it confronted a precipitous decline in such values between 1982 and 1983.

⁶³See Appendix E for a comparative analysis of the fiscal capacity of the Alleghany Highlands in relation to that for all Virginia cities and counties, considered collectively, during the period from 1974 to 1983.

⁶⁴When reference is made in this report to the fiscal attributes of the "Alleghany Highlands," the statistics cited represent aggregate data for Alleghany County, the City of Clifton Forge, and the City of Covington. These statistics do not include any discrete data for the Town of Iron Gate.

⁶⁵Appendix E. It should be noted that the relationship between per capita values of local fiscal wealth in the Alleghany Highlands and those for all Virginia counties and cities reflect

year period in question.⁶⁶ Thus, while in absolute terms the Alleghany Highlands experienced fiscal growth between 1974 and 1983, such growth was less significant than that in the State's cities and counties generally.

Moreover, and consistent with our own statistical analysis, the recently completed JLARC study reported that, as of 1983, the three jurisdictions constituting the Alleghany Highlands had comparatively weak local resource bases. The JLARC study concluded that of the 136 cities and counties in the Commonwealth, Alleghany County, the City of Clifton Forge, and the City of Covington had theoretical local revenue bases which ranked 99, 120, and 81, respectively.⁶⁷ Moreover, in terms of the growth in local fiscal resources between 1977 and 1983, the same JLARC study found that such growth in Alleghany County, the City of Clifton Forge, and the City of Covington ranked 71, 123, and 124, respectively, among that for the Commonwealth's 136 cities and counties.⁶⁸ Thus, as of 1983, each of the three jurisdictions ranked in the lowest half of Virginia's counties and cities in terms of theoretical local revenue bases and with respect to the growth in such bases during the preceding six-year period.

Examining further the fiscal capacity of the proposed City of

considerable deviation throughout the period.

⁶⁶Ibid.

⁶⁷Local Fiscal Stress and State Aid, Appendix A. In developing the measure of theoretical revenue capacity for each locality, JLARC applied the Statewide average tax rate for each revenue source to the specific revenue base of each locality. For example, in order to determine the theoretical revenue capacity of each locality's real property tax base, JLARC applied the average effective true tax rate for all Virginia cities and counties to the true value of such property in each locality. It should be noted that higher numerical rankings represent weaker revenue bases. Since the City of Clifton Forge was ranked 120, only 16 Virginia cities and counties had weaker local revenue bases according to the JLARC study.

⁶⁸Ibid. Thus, the data indicate that only 12 Virginia cities and counties experienced less growth in local fiscal resources during the period between 1977 and 1983 than the City of Covington.

Alleghany Highlands, the Commission has undertaken a series of statistical analyses comparing the fiscal attributes of the proposed consolidated City with four other Virginia cities of comparable size [Cities of Harrisonburg (25,400), Hopewell (24,100), Salem (24,000), and Staunton (22,200)].⁶⁹ These analyses indicated that, as of 1983, the three jurisdictions which would constitute the proposed City of Alleghany Highlands possessed collectively a local revenue base generally weaker than that available to the four cities of comparable size. On each measure of local fiscal resources examined, the proposed City of Alleghany Highlands ranked either fourth or fifth.⁷⁰ This generally weaker fiscal condition is reflected by the per capita composite measure of local resources for the five jurisdictions, with the per capita statistic for the proposed City of Alleghany Highlands (\$11,863) being less than that for any of the other jurisdictions analyzed.⁷¹

Offsetting the comparatively weak fiscal resources of the jurisdictions which would constitute the proposed City of Alleghany Highlands, however, are data indicating that for Fiscal Years 1980-81--1983-84 the per capita local revenue burden borne by residents of those three jurisdictions was less than that in the State generally, and significantly less than that of each of the other four Virginia

⁶⁹See Appendix F.

⁷⁰It is relevant to note, however, that on various dimensions the proposed City of Alleghany Highlands reflected a revenue base stronger than that in other localities. In terms of per capita retail sales, the proposed City of Alleghany Highlands recorded a figure (\$3,775) in excess of that of the City of Hopewell (\$3,768), while in the case of per capita AGI, the figure for the proposed consolidated City (\$6,747) was in excess of that for the City of Harrisonburg (\$6,249).

⁷¹On this composite measure, the statistic for the proposed City of Alleghany Highlands was 96.5% of that for the City of Hopewell (\$12,294) and 73.8% of that for the City of Harrisonburg (\$16,064), with the latter City recording the highest score of all the municipalities included in the analysis.

cities of comparable size.⁷² Statistics reveal that during FY1983-84 the three jurisdictions which would constitute the proposed City of Alleghany Highlands raised \$359.29 per capita in local source revenues, a fiscal effort only 64.2% of that in the State generally (\$559.57)⁷³ With respect to the other four Virginia cities of comparable size, the municipality with the next lowest local per capita fiscal burden (Staunton) raised \$457.41 per capita to meet its needs during FY1983-84, a fiscal effort 27.3% greater than that borne by residents of the Alleghany Highlands.⁷⁴ In brief, these data suggest that the local fiscal needs in the Alleghany Highlands may be notably less than those in Virginia cities of comparable size and that less fiscal resources are required to support local governmental services.⁷⁵

Local government analysts have frequently observed that one of the consequences of local governmental consolidation is an increase in service expectation in the area consolidated, with the result that expenditure levels often increase to accommodate the request for expanded services. In order to examine this issue, the Commission has reviewed expenditure levels in the Nansemond - Suffolk area (the last area to effect city-county consolidation in Virginia) in relation to that for all other cities and counties during the period from

⁷²See Appendices G, H, and I.

⁷³Appendix H.

⁷⁴See Appendix I. The City of Salem recorded the highest per capita fiscal effort (\$699.21) in FY1983-84 of the cities surveyed in our analysis. Thus, the per capita local fiscal effort in the Alleghany Highlands in FY1983-84 was only 51.4% of that in the City of Salem.

⁷⁵It is relevant to note that, as of 1984, the average effective true tax rate on real property in Alleghany County, the City of Covington, and the City of Clifton Forge was \$0.59, \$0.55, and \$1.23, respectively. [Virginia Department of Taxation, Virginia Assessment/Sales Ratio Study 1984 (forthcoming).]

FY1968-69 through FY1978-79.⁷⁶ This period encompasses an interval of five years preceding the consolidation of the City of Nansemond and the City of Suffolk, which occurred on July 1, 1974, and an interval of five years thereafter.⁷⁷ In terms of operating expenditures per capita, the data clearly do not reveal any burgeoning of such expenditures in the consolidated City of Suffolk in relation to all other Virginia cities and counties during the five-year period following consolidation. Indeed, when measured on a per capita basis, operating expenditures in the consolidated City of Suffolk in FY1974-75 (the first year following consolidation) were 90.4% of the comparable figure for all other Virginia cities and counties, while in FY1978-79 such expenditures in the City of Suffolk represented only 83.2% of the same statistic for all other localities.⁷⁸ While our calculations do reveal a significant increase in capital outlays in the City of Suffolk following the consolidation (and in debt service in FY1977-78), those capital expenditures may well have been the results of improvements deferred in earlier years. In this regard, it is significant to note that capital expenditures in Nansemond County and the City of Suffolk, considered collectively, during the period between FY1968-69 and FY1972-73 averaged, on a per capita basis, less than one-fourth of those for all other Virginia cities and counties. Accordingly, it might be asserted that the growth in capital outlays in the City of Suffolk following consolidation was more the result of deferred expenditures than the product of rising expectations resulting from changes in the structure of local government.

With respect to the issue of a possible demand for an increase in

⁷⁶See Appendix K.

⁷⁷In 1972 the County of Nansemond consolidated with its Towns of Holland and Whaleyville to form the City of Nansemond. In 1974 the City of Nansemond consolidated with the City of Suffolk to form the enlarged City of Suffolk.

⁷⁸Appendix K.

public services in the proposed City of Alleghany Highlands following consolidation, it is relevant to note that Alleghany County has been involved in the extension of water and sewerage services to its residents since 1956 and, unlike most Virginia counties, has provided for some years curbside solid waste collection service to most County residents and commercial firms.⁷⁹ In addition, the three jurisdictions which would constitute the proposed consolidated City of Alleghany Highlands already jointly participate in the provision of numerous public services, with the result that distinctions in service levels throughout the area are diminished.⁸⁰ In sum, the nature and similarity of services already provided throughout the Alleghany Highlands should reduce, in our judgment, any impetus which might result from governmental consolidation for a significant increase in local governmental expenditures.

It should be noted here that one of the more frequently raised issues in the study of local government is the question of the optimum size locality for the provision of public services. Not surprisingly, this question remains unanswered, and perhaps unanswerable. Proper analysis of this issue requires a detailed understanding of the costs associated with service provisions in each jurisdiction being studied, the differential factors affecting costs in each locality, and qualitative aspects of the services rendered in each. Moreover, assuming these factors could be adequately addressed, statistical analyses are likely to show that various size communities are optimal for the provision of different public services. Noting this point, an early student of this issue observed:

The optimum size of cities is quite different from the standpoint of certain criteria from what it is on the basis of others. It is found that even an apparently uniform criteria

⁷⁹The Commission on Local Government, Commonwealth of Virginia, Report on the City of Covington - County of Alleghany Annexation Action, Aug. 1984, pp. 13-19.

⁸⁰Ibid., pp. 69-70. Alleghany County and the City of Covington are currently engaged in collaborative efforts in such functional areas as social services, health, fire and emergency medical

- e. g., health - may give conflicting indications of the optimum. There is no immediate way in which these various optima may be objectively equilibrated, compromised, weighted, or balanced to yield an unequivocal figure for the optimum population of a city. Any numerical choice of a figure for the optimum population is involved in subjective valued preferences and impressionistic weighting systems.⁸¹

Despite the methodological problems encountered in research of this nature, there are, however, in our judgment, services which can be performed more effectively and efficiently in larger sized communities. Several studies, for example, indicate that, in terms of cost, the optimal size of high schools might be found in the range between 1,400 and 1,975 students.⁸² Thus, these studies suggest that high schools both above and below this range are likely to experience higher, per pupil costs.

Similarly, numerous law enforcement professionals have expressed concern that small law enforcement agencies are costly and ineffective instruments. Addressing this point, one student of local police departments in this country has asserted:

Nearly every local government attempts to provide some form of police service, yet the service adequacy of many police departments may well be open to serious question. Surveys of the efficiency of small and undersized police forces indicate that their personnel are poorly trained, poorly orga-

services, law enforcement, judicial administration, youth and adult detention facilities, and public utilities. In addition, those two localities collaborate with the City of Clifton Forge in the provision of services in such areas as mental health, education, juvenile probation, recreation, planning, and industrial development.

⁸¹Otis D. Duncan, "Optimum Size of Cities," in Paul K. Hott and Albert J. Reiss, Jr., eds., Cities and Society: The Revised Reader in Urban Sociology (New York: The Free Press, McMillan Company, 1957), pp. 759-72. Duncan's extensive research suggested that the optimum size of cities for various health services ranges between 10,000-100,000 persons; for public recreation, between 25,000-50,000 persons; and for electric utility service, between 500,000-100,000,000 persons.

⁸²William F. Fox, Size Economies in Local Government Services: A Review (Washington: Economic Development Division; Economics, Statistics, and Cooperatives Service; U. S. Department of

nized, and overworked. Consequently, small police agencies frequently provide an extremely low quality of service.⁸³

The same observer added:

Small police departments also prevent more efficient police protection in metropolitan areas as a whole. Such forces, in their desire for self-sufficiency, duplicate police services, prevent the structuring of areawide police services, and contribute to jurisdictional complexities in American police protection. In light of such findings, a renewed look at the adequacy of the small department is in order.⁸⁴

Studies have also suggested that improvements and savings might be effected through the consolidation of local jails and the integration of the staffs serving those facilities. An earlier study conducted in the State of Virginia disclosed that jail personnel serving populations of less than 25,000 confronted longer work weeks and had greater turnover than did the staffs serving larger populations.⁸⁵

That study concluded:

The relatively more serious problems related to personnel found among the smallest jails are due, in large measure, to more limited human, physical and financial resources. Patently, these limited resources also affect operational efficiency and the extent to which rehabilitation programs can be provided.⁸⁶

A number of studies have also been undertaken to determine the optimal size of localities for refuse collection. One study of 340 cities concluded that municipalities between 20,000 and 50,000 persons

Agriculture), pp. 8-15. This document is identified as Rural Development Research Report No. 22.

⁸³John J. Callahan, "Viability of The Small Police Force," in The Police Chief, Mar. 1973, p. 56.

⁸⁴Ibid.

⁸⁵Virginia Division of Justice and Crime Prevention, Law Enforcement in Virginia, Vol. II (Sep. 1973), p. 86.

⁸⁶Ibid., p. 86-87.

can be expected to realize economies of scale in solid waste collection services.⁸⁷ Other analyses, however, indicated that cost-effective service could be provided in smaller communities.

Finally, a number of studies have suggested that public services which involve major capital facilities have a greater potential for economies than do those services which are labor-intensive.⁸⁸ Capital-intensive services include such public activities as road construction and maintenance, the treatment and distribution of water, and sewage collection and disposal. While statistical studies of capital-intensive services such as water treatment and distribution are more easily managed (i. e., the quantity and quality of output are more measurable), research in these public service sectors is also incomplete. Nevertheless, this Commission is satisfied that capital facilities constructed to serve larger areas and populations do promise fiscal benefits to the localities which jointly support them.

The various studies mentioned above are not cited by this Commission as conclusive evidence of cost savings to be effected through governmental consolidation. They are, however, noted because they are research efforts which suggest and give promise that expenditure savings may indeed be effected through governmental reorganization.

Based on consideration of the fiscal resources available to the jurisdictions which would constitute the consolidated City of Alleghany Highlands, the current level of public expenditure in those localities, the existing array of public services being provided throughout the proposed jurisdiction, and the prospect of fiscal economies which can ensue, this Commission finds that the proposed City of Alleghany Highlands has the fiscal capacity to function as an inde-

⁸⁷Size Economies in Local Government Services: A Review, pp. 21-24.

⁸⁸Ibid., p. 24. After an extensive review of relevant research, the author stated, "Capital-intensive services have a greater potential for size economies than do labor-intensive services."

pendent city and to provide appropriate services.⁸⁹

INTERESTS OF THE PARTIES

Any analysis of the interests of the residents of the Alleghany Highlands must take cognizance of the comprehensive study jointly funded by Alleghany County, the City of Clifton Forge, and the City of Covington and submitted to the jurisdictions in 1982.⁹⁰ That study analyzed nine major categories of public services in conjunction with an evaluation of six alternative means of addressing the governmental concerns of the Alleghany Highlands.⁹¹ After consideration of the service issues in relation to the governmental alternatives, the study noted:

When the results of the individual public service analyses were integrated with the study of the overall governmental structure of the Highlands, the project team was forced to conclude that the majority of available data supports making consolidation of the three existing independent governments the long-term goal for local government in the Alleghany

⁸⁹The Commission has examined the prospective impact of the proposed consolidation on State aid for education, road construction and maintenance, and law enforcement in the Alleghany Highlands. A precise determination of the impact of consolidation on the three State aid programs can not be made due to a variety of factors and the options available to the proposed consolidated city. The evidence does indicate, however, that the proposed City of Alleghany Highlands could receive some additional State aid as a result of the consolidation of the three jurisdictions.

⁹⁰John McNair and Associates and Planning Management Associates, Alleghany Highlands Governmental Study, 3 vols., Dec. 1982. This extensive study of the services and governmental alternatives available for consideration in the Alleghany Highlands area was accompanied by an Executive Summary.

⁹¹The six major alternatives considered during the study were (1) a boundary adjustment between the City of Covington and Alleghany County, (2) economic growth sharing agreements among the jurisdictions, (3) the consolidation of Alleghany County and the City of Clifton Forge, (4) the consolidation of Alleghany County, the City of Clifton Forge, and the City of Covington, (5) the division of the County into two entities with each being governmentally united with a City, and (6) the increased merger of governmental functions. (See Alleghany Highlands Governmental Study, Vol. III.)

Highlands.⁹²

The report concluded:

In summary, the results of this study lead to the conclusion that the people of the Alleghany Highlands will be best served if their local governmental officials recognize early the truly interrelated nature of their localities and the opportunities which they have to solve their problems jointly. If this occurs, it should be possible for local representatives to work out a long-term plan of action which provides for immediate achievement of levels of consolidation which are practical today and will ultimately lead to some form of complete consolidation of the three local governments.⁹³

The 1982 study listed as potential benefits which could be derived from the governmental consolidation of the Alleghany Highlands (1) economies of scale (2) the elimination of redundancies, and (3) reductions in excess capacity in different service categories (e. g., refuse collection, education).⁹⁴ Further, governmental consolidation, the report noted, could result in service units large enough to permit specialization and the benefits such permits in service provision, but without the establishment of service units of a size requiring significant additional layers of management and administrative oversight.⁹⁵ Thus, according to this detailed analysis completed in 1982, the consolidation of Alleghany County, the City of Clifton Forge, and the City of Covington would be in the interest of the residents in the Alleghany Highlands area.

In considering the impact of the proposed consolidation on the citizenry and political subdivisions in the Alleghany Highlands, con-

⁹²Alleghany Highlands Governmental Study, Executive Summary, p. 29.

⁹³Ibid., pp. 31-32.

⁹⁴Ibid., Vol. III, pp. 75-76.

⁹⁵Ibid., pp. 76-77.

sideration should also be given to the interdependence, the complementary nature, and the similarity of service needs of the localities involved. Where such characteristics exist, the appropriateness of local governmental consolidation is, in our judgment, increased. In this case, there is evidence suggesting the existence of such characteristics in the Alleghany Highlands.

Testifying to this consideration, Professor David Loeks of the Virginia Polytechnic Institute and State University (VPI&SU) noted that the "most dramatic physical feature in [the Alleghany Highlands] is this valley that is sort of anchored on each end by Covington and Clifton Forge; the railroads, the river as a place for getting water and getting rid of sewage, later the interstate highway systems linked along this."⁹⁶ Loeks added, "I think the central conclusion that I am trying to get across is that this physiography and the nature of this land base does impose a high degree of interdependence, and to some degree physical, and social, and economic unity and interaction."⁹⁷ Consistent with this thesis are the findings of a study of commuting patterns and employment in the Alleghany Highlands. That study concluded that, based on 1980 data, "Alleghany, Covington, and Clifton Forge constitute a small, self-contained sub-area of about 11,000 workers, . . ."⁹⁸ Moreover, the evidence indicates that within this "sub-area" itself there is a significant degree of similarity in the vocational profile of the residents of Alleghany County, the City of Clifton Forge, and the City of Covington.⁹⁹ These conditions suggest that the proposed consolidation would have the effect of politically integrating communities which already share numerous

⁹⁶Testimony of David Loeks, Virginia Polytechnic Institute & State University, Transcript of Oral Presentations, Dec. 16, 1985, p. 79.

⁹⁷Ibid., p. 81.

⁹⁸Transportation and Commuting in Virginia, 1980.

⁹⁹The City of Clifton Forge has previously presented evidence relative to the similarity in the occupational profile of the resi-

similarities and bonds.

Finally, in our view, the limited fiscal resources available to support local public services in the Alleghany Highlands area, as well as current projections for future growth, suggest advantages which could accrue from the political integration of the area. In this regard, it should be noted again that, exclusive of the property in State and federal land preserves (223 square miles) and that on slopes exceeding 15% or situated in the 100-year floodplain, the proposed City of Alleghany Highlands possesses only 41 square miles of territory available and generally suited for development.¹⁰⁰ In terms of demographic considerations, it is significant to note that the estimated population in the Alleghany Highlands in 1984 (26,400) reflects a decrease of 7.2% in the area's residents since 1960 (28,458).¹⁰¹ Further, population projections indicate that, as of the year 2000, the population of the three jurisdictions constituting the Alleghany Highlands will total only 29,300 persons, an increase of less than 2,000 people during the remaining years of this century.¹⁰² Thus, constrained by a limited amount of developable property and projections of only modest population growth, local governmental consolidation may well represent the most effective means by which residents in the Alleghany Highlands area might benefit equitably from the public resources and services in the area.

With respect to prospects for the future development, it is our judgment that local governmental consolidation can have beneficial consequences for the Alleghany Highlands. Addressing this point, the Director of the Virginia Department of Economic Development recently stated:

dents of the three jurisdictions in the Alleghany Highlands area. See City of Clifton Forge, Response of the City of Clifton Forge: City of Covington Annexation Proceedings, Apr. 1984, Vol. I, pp. 8-12.

¹⁰⁰Consolidation Notice, p. 4.

¹⁰¹Ibid., p. 5.

¹⁰²Donald P. Lillywhite and Deborah A. Stevens, Virginia

A unified approach to economic development is very important for any area which covers several political jurisdictions. This can mean anything from true and meaningful cooperation up through merger or consolidation. Only with a unified approach can areawide planning, zoning, and infrastructure development be achieved and costly duplication of services be avoided.¹⁰³

In sum, the evidence indicates that the proposed consolidation of the local governments in the Alleghany Highlands area is in the interest of the residents of the jurisdictions which would constitute the consolidated entity.

INTERESTS OF THE COMMONWEALTH

Compliance With State Policies

This Commission fails to find any basis for concluding that the proposed consolidation would have an adverse effect on the implementation of State policies in the Alleghany Highlands. Indeed, the evidence suggests that several fundamental State policies will be beneficially affected by the proposed consolidation. Those State policies merit note in this report.

Education. In 1971 the General Assembly established the School Division Criteria Study Commission "to study and determine reasonable conditions and criteria which should be set by the General Assembly for use by the Board of Education in dividing the State into school divisions, to the end that the size and composition of such school divisions will, in compliance with the Constitution, promote the realization of quality education for the school children of the Commonwealth."¹⁰⁴ In its report issued in December 1972 that study commission remarked:

Population Projections 2000 (Richmond: Virginia Department of Planning and Budget, 1983), Table 1.

¹⁰³Scott Eubanks, Director, Virginia Department of Economic Development, letter to staff of Commission on Local Government, Apr. 4, 1986.

¹⁰⁴Senate Joint Resolution 11, 1971.

The literature shows that a small school division is unable to provide a comprehensive articulated educational program, K-12, with adequate opportunities for special, vocational, and continuing education. There is no uniform agreement among even so-called experts concerning the accepted optimum size of a school or school division. However, there are general ranges within which most educators tend to agree.¹⁰⁵

After surveying previous studies dealing with the appropriate size of school divisions and based on its own analysis, the School Division Criteria Study Commission asserted:

The major problem that still exists in Virginia is the number of very small divisions (52) with a pupil population of less than 3,000. Another possible problem exists with those 57 school divisions in the range of 3,001 to 10,000 pupils. These figures suggest the magnitude of the consolidation problem that faces Virginia if each school division in the State is to have enough pupils to provide a reasonably effective and comprehensive program at a reasonable cost. If the most generally accepted figure of 10,000 pupils were accepted as a desirable goal, this would mean that 109 local school divisions would be affected. And even if we accept a figure of 3,000 as an intermediate goal, the magnitude of the problem is still very great.¹⁰⁶

Since the average daily membership (ADM) in the Covington school division (1,309) and that in the Alleghany Highlands school division (3,537) totaled only 4,846 during school year 1984-85, the proposed consolidation would create a school division with, according to the above-mentioned study, a more desirable student population.¹⁰⁷ Moreover, since the school divisions serving the Alleghany Highlands have consistently experienced a pupil decline in recent years, the

¹⁰⁵Report of the School Division Criteria Study Commission, Senate Document No. 5, 1972, p. 4.

¹⁰⁶Ibid., p. 7.

¹⁰⁷Virginia Department of Education, Annual Report of the Superintendent of Public Instruction: 1984-85, Table 16.

consolidation of those school divisions may grow in significance. Accordingly, the proposed consolidation could well have a significant positive effect on public education in the Alleghany Highlands.

Environmental Protection. Major environmental concerns transcend local boundaries and often defy effective treatment by localities acting in isolation. Air pollution control, the management of water resources, solid waste collection and disposal, and the protection of an area's aesthetic qualities are more adequately addressed by localities acting in concert. Based on actions previously taken by the local governments in the Alleghany Highlands area and the physical features of the area which promote the interdependency of the jurisdictions, we have no difficulty concluding that the State's concern for the protection of the Commonwealth's environment would be beneficially served by the proposed consolidation.¹⁰⁸

Public Planning. All three jurisdictions which would constitute the consolidated City of Alleghany Highlands have established planning commissions and have adopted comprehensive plans and subdivision regulations.¹⁰⁹ In addition, the Cities of Clifton Forge and Covington have adopted new zoning ordinances in recent years, and Alleghany County currently has under consideration the adoption of such an instrument.¹¹⁰ The evidence reflects a commitment to planning by each of the jurisdictions and indicates that the proposed consolidated City would be similarly committed to public planning over the enlarged jurisdiction. Further, it is relevant to note here that in terms of numerous services and public policies larger jurisdictions may more effectively plan to address public needs. With respect to the construction of capital facilities, the proper utilization of natural

¹⁰⁸The three localities have each shown an interest in the protection of their physical environment through independent measures. (See Consolidation Notice, p. 34.)

¹⁰⁹Ibid., pp. 34-35.

¹¹⁰Ibid.; and Macon Sammons, County Administrator, County of Alleghany, communication with staff of Commission on Local Government, June 17, 1986.

resources, the protection of critical environmental areas, and economic development, larger jurisdictions may be more effective instruments for the implementation of programs and policies. With regard to economic development specifically, the proposed consolidation would terminate competition within the Alleghany Highlands area for new development and avoid the necessity of compelling a jurisdiction to zone property for commercial or industrial enterprise when such should more appropriately be reserved for other private or public usage. In sum, the proposed consolidation should bring an areawide perspective and added rationality to public planning in the Alleghany Highlands.¹¹¹

Housing. The Cities of Clifton Forge and Covington established housing authorities in 1982 and 1985, respectively, for purposes of addressing the housing needs of their low and moderate income residents.¹¹² Further, we note that both Alleghany County and the City of Clifton Forge have adopted fair housing ordinances for the purpose of promoting equal housing opportunities for their residents.¹¹³ We find no basis to conclude that the proposed consolidation would adversely affect in the Alleghany Highlands area the Commonwealth's concern for the provision of proper housing for its

¹¹¹Our review of the capital improvement programs of the three jurisdictions indicates that several proposed capital expenditures of the various jurisdictions might have regional significance. The governmental integration of the area should permit, in time, savings in capital expenditures.

¹¹²Roger D. Baker, City Manager, City of Clifton Forge, communication with staff of Commission on Local Government, June 17, 1986; and David B. Davis, Acting City Manager, City of Covington, communication with staff of Commission on Local Government, June 17, 1986.

¹¹³Macon Sammons, County Administrator, County of Alleghany, communication with staff of Commission on Local Government, June 17, 1986; and Baker, communication with staff of Commission on Local Government, June 26, 1986. Alleghany County and the City of Clifton Forge are two of only approximately 30 Virginia localities which have adopted fair housing ordinances. (Patricia A. Buttlerman, Fair Housing Administrator, Virginia Real Estate Board, Department of Commerce,

residents.¹¹⁴

Summary. This Commission fails to see how any of the State's basic public service policies will be adversely affected by the proposed consolidation. Indeed, in our judgment, several fundamental State concerns will be beneficially affected by the proposed consolidation.

VIABILITY OF LOCAL GOVERNMENT

One of the primary reasons the State has chosen to review critically consolidations which propose the establishment of new consolidated cities is the effect such entities might have on adjoining or adjacent jurisdictions. Unlike the establishment of consolidated counties, proposed consolidated cities would restrict or terminate the growth of adjoining municipalities. While, in instances, such might be found appropriate, in some circumstances this action might be found inconsistent with the State's concern for the protection and preservation of the viability of its local governments. In supporting its recommendation for judicial review of consolidations which would establish new cities, the Commission on City-County Relationships stated in its report presented to the Governor and General Assembly of Virginia in January 1975:

If, in the court's opinion, a proposed new consolidated city would distort the area's political development by prematurely terminating the political growth of adjacent units of government, thereby rendering those governments inefficient and unduly dependent upon external resources, the court would be authorized to deny eligibility for city status.¹¹⁵

communication with staff of Commission on Local Government, June 20, 1986.)

¹¹⁴The proposed consolidation would not affect the existence of the housing authorities formerly established.

¹¹⁵Report of the Commission on City-County Relationships, House Document No. 27, 1975, p. 39.

Thus, we infer from the report of the Commission on City-County Relationships that the requirement for judicial scrutiny of proposed consolidated cities emanated, in large measure, from concern regarding the ramifications of such consolidations on adjacent localities.

Other than the Cities of Clifton Forge and Covington, which would become constituent elements in the proposed City of Alleghany Highlands, the only locality which would be immediately affected by the consolidation is the Town of Iron Gate. With respect to that municipality, the General Assembly has expressly authorized towns which would be encompassed by a consolidated city to continue their existence as a township or to relinquish their charter and become part of the consolidated entity.¹¹⁶ It is relevant to note that the Council of the Town of Iron Gate has adopted a resolution expressing its support for the proposed consolidation and stating that the Town's eventual merger with the proposed consolidated City would be the "next logical step toward the orderly unification of government in the Alleghany Highlands community"¹¹⁷ Thus, in our judgment, the proposed consolidation does not restrict the growth of adjoining localities in a manner inconsistent with State law or local governmental policy as established by the General Assembly.

This Commission also observes that the proposed consolidation would have the effect of politically integrating three small jurisdictions into a political subdivision containing, according to 1984 population estimates, 26,400 persons.¹¹⁸ The population size of the con-

¹¹⁶Sec. 15.11146.1(B), Code of Va. Where a town becomes a township under this provision of law, it continues to operate under the charter of the town. Further, this statute permits a township, if it so chooses, to transfer its revenues, services, facilities, assets, and debts to the consolidated city by mutual agreement of the governing bodies.

¹¹⁷See Appendix L for the resolution adopted by the Council of the Town of Iron Gate.

¹¹⁸Consolidation Notice, p. 5.

solidated municipality would be consistent with the recommendations of numerous State study commissions which have repeatedly proposed a higher population minimum for city status. The Commission on State and Local Revenues and Expenditures (1949), the Commission to Study Urban Growth (1951), the Virginia Advisory Legislative Counsel (1955), the Commission on Constitutional Revision (1969), and the Commission on City-County Relationships (1975), each recommended that the population minimum for city status be substantially raised.¹¹⁹ Moreover, numerous national studies have supported raising the minimum population for city status to 25,000 persons or more.¹²⁰ In the most recent review of this issue the Commission on City-County Relationships surveyed the preceding studies and asserted:

The Commission believes that . . . these [national] studies and the previously cited state commissions have correctly assessed the need for a higher population minimum for cities. With the passage of time and the increased responsibilities placed on local governments, the argument for a higher population requirement for independent city status is now all the more persuasive.¹²¹

These studies support the proposed consolidation of the Alleghany Highlands area.

Finally, a study prepared for the National Science Foundation

¹¹⁹See Report of the Commission on State and Local Revenues and Expenditures, Senate Document No. 5, 1949, p. 110; Report of the Commission to Study Urban Growth, House Document No. 13, 1952, p. 20; Report of the Virginia Advisory Legislative Counsel, House Document No. 11, 1955, p. 9; Report of the Commission on Constitutional Revision, Jan. 1969, pp. 220-21; and Report of the Commission on City-County Relationships, p. 50. Each of these studies proposed a minimum population of 20,000 persons or more for first-class city status.

¹²⁰See Council of State Governments, State-Local Relations, Report of the Committee on State-Local Relations (Chicago: The Council, 1946); and Committee for Economic Development, Modernizing Local Government, A Statement on National Policy By the Research and Policy Committee (New York: The Committee, 1966).

¹²¹Report of the Commission on City-County Relations, p. 52.

endeavoring to identify the determinants of effectiveness in local government is worthy of note in this review. That study identified nine distinct factors which were deemed to promote effective and efficient local government. Those factors included specialization of labor, mechanization, continuous work processes, centralization of decision-making, coherent missions, communications, size, mobility of personnel, and organizational autonomy.¹²² In our judgment, such factors do indeed affect the capacity and effectiveness of local governmental operations. Moreover, with the possible exception of the last two determinants in the series, the proposed consolidation in the Alleghany Highlands would strengthen each of the factors promoting local governmental effectiveness.¹²³

Based on the considerations mentioned above, we find the proposed establishment of the consolidated City of Alleghany Highlands consistent with the interests of the State in the protection and preservation of the viability of its local governments.

SUMMARY OF FINDINGS AND RECOMMENDATION

In the preceding sections of this report the Commission has endeavored to consider relevant attributes of the jurisdictions which would constitute the proposed consolidated City of Alleghany Highlands, the current and prospective needs of that area, and independent research which bears on the consolidation question. Based on our analysis and the prescribed statutory considerations, we find the proposed consolidation to meet the requirements for city status. Accordingly, we recommend the court's endorsement of the proposed consolidation.

Beyond the issue of the legal eligibility for city status, we have

¹²²Edward Anthony Lehan, "The Capability of Local Governments: A Search For the Determinants of Effectiveness," Connecticut Government, Vol. 28, No. 3 (Spring, 1975).

¹²³Regarding "specialization of labor," the author noted that "the 34,392 governments [in the nation] of less than 25,000 population are entirely too small to support the requisite degree of specializa-

endeavored to consider the impact of the proposed consolidation on the citizenry in the area. We have noted studies which suggest that the proposed consolidation can result in fiscal savings and governmental efficiencies. We are well aware, however, that no statistical analysis is sufficient to give unequivocal guidance in this or any other consolidation action. While the studies we have cited are indeed relevant, they do not address all facets of the consolidation question.¹²⁴ In this instance the residents of the Alleghany Highlands are confronted with the necessity of choosing among alternative local governmental arrangements, with each having its own distinct set of assets and, perhaps, liabilities. In choosing a local governmental arrangement, as in dealing with many other complex social concerns, we must remember that "democracy" has been described as "a method of finding proximate solutions for insoluble problems."¹²⁵ While we contend that reasonable approaches to local governmental issues can be found, we recognize that none will offer ideal answers

tion, thus [they] must be the focus of consolidation efforts."
(Ibid., p. 4.)

¹²⁴The Commission is fully aware that the issue of local governmental consolidation involves more than economic considerations and the cost of public services. On this point one analyst has observed:

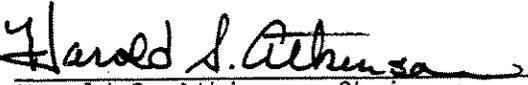
"Not enough attention has been given to factors other than of an economic nature on this problem of city-size and its relationship to municipal efficiency. Too much creditability has been accorded the analogy of the city's functions with the experience of industrial concerns. Almost every study with which this writer is familiar has preceded without calling into question the basic assumption that costs of municipal services are sufficient unto themselves to be indexes of efficiency." (William A. Howard, "City-Size and Its Relationship to Municipal Efficiency: Some Observations and Questions," Ekistics, Vol. 28, No. 168 (Nov. 1969), pp. 314-15.

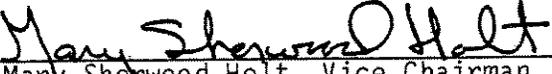
¹²⁵Reinhold Niebuhr, The Children of Light and The Children of Darkness (New York: Charles Scribner's Sons, 1944), pp. 118.

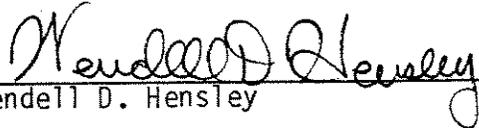
to all concerns. Our task is one of selecting the best "proximate" answer to the multitude of concerns we confront.

While neither this Commission nor any other entity can forecast with certainty all of the ramifications of any governmental reorganization, we believe that there exists significant evidence to suggest that the proposed governmental consolidation of the Alleghany Highlands will redound to the long-term benefit of the area's residents. Accordingly, this Commission vigorously encourages the residents and officials of the three jurisdictions affected by the proposed governmental consolidation to give careful and objective consideration to this opportunity to restructure their local governmental arrangements.

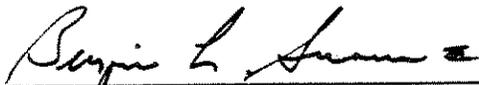
Respectfully submitted,


Harold S. Atkinson, Chairman


Mary Sherwood Holt, Vice Chairman


Wendell D. Hensley


William S. Hubbard


Benjamin L. Susman, III

APPENDIX A
CONSOLIDATION AGREEMENT

CONSOLIDATION AGREEMENT
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THIS CONSOLIDATION AGREEMENT is made and entered into by and between the County of Alleghany, a County of the Commonwealth of Virginia; the City of Clifton Forge, Virginia, a municipal corporation of the Commonwealth of Virginia; and the Committee appointed by Order of the Circuit Court of Alleghany County dated November 7, 1984, to act for and in lieu of the governing body for the City of Covington pursuant to §15.1-1132 of the Code of Virginia (1950), as amended.

The County of Alleghany, the City of Clifton Forge, and the aforesaid Committee, agree as follows:

I. Names of County and Cities for which Consolidation is Proposed.

The names of the County and Cities proposing to consolidate into a newly consolidated city are the County of Alleghany, the City of Clifton Forge, Virginia, and the City of Covington, Virginia.

II. Name of the Consolidated City.

The name of the city into which it is proposed to consolidate is City of Alleghany Highlands.

III. Definitions.

As used in this Consolidation Agreement, the following terms shall have the definitions set forth herein:

1. County of Alleghany, Virginia, County of Alleghany, Alleghany County, County or Alleghany shall mean the County of Alleghany prior to the consolidation.

2. City of Clifton Forge, Virginia, City of Clifton Forge, or Clifton Forge shall mean the City of Clifton Forge prior to the consolidation.

3. City of Covington, Virginia, City of Covington, or Covington, shall mean the City of Covington prior to the consolidation.

4. Citizens Committee for Consolidation, Citizens Committee, or Committee shall mean the Committee appointed by Order of the Circuit Court of Alleghany County dated November 7, 1984, to act for and in lieu of the governing body for the City of Covington pursuant to Virginia Code §15.1-1132 (1981 Repl. Vol.).

5. Consolidated City, City of Alleghany Highlands, Virginia, City of Alleghany Highlands, shall mean the City of Alleghany Highlands after consolidation.

6. Cities shall mean the City of Clifton Forge and the City of Covington.

7. Indebtedness, bonded and otherwise, shall mean indebtedness which has been formally approved and incurred pursuant to the Public Finance Act of the Commonwealth of Virginia as set forth in Chapter 5 of Title 15.1 of the Code of Virginia, 1950, as amended, or borrowed from the State Literary Fund, or in anticipation of a loan from the State Literary Fund. The term shall also include commitments to fund purchases and proprietary projects where such projects are not covered by encumbered funds.

8. Existing Liabilities shall mean all valid and lawful charges and liabilities (except for indebtedness, bonded and otherwise) existing as of the effective date of consolidation or which thereafter become due as the result of a claim or cause of action which arose or accrued prior to the effective date of consolidation together with all costs of defense.

IV. Fundamental Principles Independent of Change.

In entering into this Consolidation Agreement, the parties hereto understand and agree that this Consolidation Agreement is predicated upon certain fundamental principles which are independent of change, these principles are:

1. Government and governmental services should be provided to citizens in manners consistent with generally accepted business practices.

2. Citizens should pay no more than their fair and equitable share of the cost of providing government and governmental services.

3. Local governments should be conducted in such a manner as to promote economic growth and prosperity.

4. Local government should treat its employees and the citizens which it serves with fairness and justice.

V. Property Values.

A. The fair value in United States money of the real and personal property belonging to the County and the Cities

and the debts due to each as of June 30, 1985, is as follows:

	<u>Alleghany</u>	<u>Clifton Forge</u>	<u>Covington</u>
Real Estate	\$5,990,675	\$4,740,972	\$4,213,320
Personal Property	1,771,978	1,613,050	3,980,850
Debts Owed to Each	<u>269,307</u>	<u>114,712</u>	<u>82,406</u>
Total	\$8,031,960	\$6,468,734	\$8,276,486

B. The above property values are exclusive of real and personal property holdings of the Alleghany Highlands School Board and the Covington School Board, as of June 30, 1985, which are valued as follows:

	<u>Alleghany Highlands</u>	<u>Covington</u>
Real Estate	\$19,766,181	\$5,335,730
Personal Property	2,703,855	411,000
Debts Owed to Each	<u>0</u>	<u>0</u>
Total	\$22,470,036	\$5,746,730

C. The property values given in Paragraph A do not include real and personal property holdings of any authorities, commissions, or non-stock corporations created by, incorporated by, or sponsored by the Cities or the County or in which either of the Cities or the County has any interest, direct or indirect. Information on the property holdings of authorities, commissions, or non-stock corporations appears on the records of these entities.

D. The valuations set forth herein are accepted by the parties hereto solely for the purpose of this Agreement.

VI. Indebtedness

A. The indebtedness, bonded and otherwise, of the County and the Cities as of June 30, 1985, is as follows:

	<u>Alleghany</u>	<u>Clifton Forge</u>	<u>Covington</u>
General Obligation Bonds	\$1,535,000	\$174,225	0
State Literary Fund Loans	1,863,600	765,000	0
Revenue Bonds	0	0	0
Others	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$3,398,600	\$939,225	0

The above indebtedness reflects the outstanding principal obligations of each jurisdiction as of June 30, 1985. These figures do not include anticipated debt pursuant to the wastewater treatment improvements mandated by EPA's National Municipal Policy.

VII. Effective Date of Consolidation.

Subject to the passage of any required legislation, the entry of an Order approving eligibility for city status pursuant to Virginia Code §15.1-1130.8, the entry of an Order of Referendum pursuant to Virginia Code §15.1-1138, the approval by referendum of a majority of the voters of each jurisdiction, and to the consolidation complying with the terms of any applicable federal law, the consolidation shall become effective on the date or dates prescribed in the Court Order effecting the Consolidation Agreement. Alleghany, Clifton Forge and the Committee agree to support before the applicable Circuit Court the date of midnight on

December 31, 1987 as the effective date of the consolidation of the County and the two Cities and midnight on June 30, 1988 as the effective date of consolidation of the school divisions.

VIII. Referendum.

A. The governing bodies of Alleghany and Clifton Forge and the Committee, after execution of this Consolidation Agreement, shall notify the Virginia Commission on Local Government and all local governments located within or contiguous to, or sharing functions, revenue or tax sources with Alleghany, Clifton Forge or Covington of the proposed consolidation, and requesting that the Commission proceed to hold hearings, make investigations, analyze local needs and make findings of fact and recommendations as may be required by Virginia Code §15.1-945.7. The said governing bodies and Committee, acting jointly, shall have the authority to negotiate and agree upon any provisions or revisions that may be proposed by the Commission.

B. After the Commission on Local Government has made its findings of fact, the governing bodies of Alleghany and Clifton Forge and the Committee shall file with the Circuit Court of Alleghany County or the Circuit Court for the City of Clifton Forge, the original of this Consolidation Agreement, together with a petition on behalf of the governing bodies of Alleghany and Clifton Forge, signed by the chairman and clerk of each of said bodies, and on behalf of the Committee in lieu of the governing body of Covington. The

petition shall ask that proceedings pursuant to Virginia Code §§15.1-1130.2 through 15.1-1130.8 be had, and that a referendum on the question of consolidation as provided for in this Consolidation Agreement be ordered to be held within each of the jurisdictions proposing to consolidate pursuant to Article 4, Chapter 26, Title 15.1 Section 1138 et seq. of the Code of Virginia, 1950, as amended, on a date fixed by the Court which the parties agree should be November 4, 1986.

C. Thereafter, the governing bodies of Alleghany and Clifton Forge and the Committee shall cause a copy of this Consolidation Agreement to be printed at least once a week for four successive weeks in the Covington Virginian and The Daily Review, newspapers published in or having general circulation in the County of Alleghany and the Cities of Covington and Clifton Forge. A copy of the Agreement shall be filed with the judge of each circuit court having jurisdiction in the consolidating jurisdictions.

D. It is agreed that the costs, legal fees and other expenses of the proceedings before the Commission on Local Government and the Courts, and the cost of the publication of this agreement should be shared by the consolidating jurisdictions on a per capita basis, and an order to that effect will be sought from the appropriate court.

E. Upon approval by referendum in each jurisdiction as set forth above, and certification by judges of the circuit courts of the results of referendum to the Secretary of

Commonwealth, the consolidation shall become effective at midnight on the day prescribed in the Court order for the consolidation to become effective, unless objection to such changes affecting electoral procedures be expressed by the Attorney General of the United States and not be removed as provided by law, the continuance of the County of Alleghany, the City of Clifton Forge and the City of Covington, other than the consolidated city, shall terminate, and the present territory of the County of Alleghany, the City of Clifton Forge and the City of Covington shall be consolidated in their entirety into a single new city, to be known as the City of Alleghany Highlands.

IX. Disposition of Property, Real and Personal.

All property, real and personal, of Alleghany, Clifton Forge and Covington, including debts owed to each, shall become the property of, and shall be vested in, the consolidated city.

X. Records and Documents.

All records and documents of Alleghany, Clifton Forge and Covington shall pass to and be held by the consolidated city which shall be responsible for the preservation, maintenance and custody of these records and documents.

XI. Assumption of Debts.

A. Upon the effective date of consolidation, there will exist within the cities and the county certain liabilities and indebtedness, bonded and otherwise, chargeable to

the citizens of each such jurisdiction. Any and all indebtedness and other obligations of the cities and the county shall be assumed by the consolidated city.

B. In order to repay such existing liabilities and such indebtedness, bonded and otherwise, on an equitable basis, and to insure that the cost of repayment is borne directly by the recipients of such benefits, and to protect the creditors of each such debt, there shall be created special debt districts in the consolidated city for the purpose of levying a special tax on the real property in each district for a period not exceeding twenty years.

C. The area formerly constituting the County of Alleghany shall be a special debt district from which there shall be levied and collected special taxes for the payment of all existing liabilities and all indebtedness, bonded and otherwise, of the County of Alleghany as of the effective date of consolidation.

D. The area formerly constituting the City of Clifton Forge shall be a special debt district from which there shall be levied and collected special taxes for the payment of all existing liabilities and all indebtedness, bonded and otherwise, of the City of Clifton Forge as of the effective date of consolidation.

E. The area formerly constituting the City of Covington shall be a special debt district from which there shall be levied and collected special taxes for the payment of all existing liabilities and all indebtedness, bonded and

otherwise of the City of Covington as of the effective date of consolidation.

F. There may be levied by the City Council of the consolidated city within each such special debt district a special tax on the real property in each such special debt district for a period not exceeding twenty (20) years to repay the existing liabilities and indebtedness, bonded and otherwise, chargeable to the citizens of each such special debt district.

G. The proceeds of any such levy of a special tax shall be collected by the consolidated city and segregated into separate funds and expended by the consolidated city solely for the repayment of the said existing liabilities and indebtedness, bonded and otherwise, attributable to each such debt district.

H. The consolidated city shall establish and maintain a cost accounting system which will identify, segregate and record all funds, liabilities, and payments on existing liabilities and indebtedness, bonded and otherwise, being paid through special debt districts.

I. The consolidated city shall segregate all funds derived from taxes levied for repaying existing liabilities or indebtedness, bonded and otherwise, of the former cities and county. Any interest earned on such funds shall inure to the benefit of the fund upon which the interest is earned. These funds shall be expended only for the repaying of the existing liabilities or indebtedness, bonded and

otherwise, of the former cities and county. In levying the taxes for the special debt districts, the effort will be made to raise only the funds necessary for the purpose of the special debt district and there is no intent to have any unencumbered surplus of money in the separate funds upon the accomplishment of this purpose. However, if there is any surplus of money in the separate fund for a special debt district, the surplus may at the direction of the City Council of the consolidated city be refunded to the taxpayers contributing to the same or used for some governmental purpose primarily benefiting the area which constitutes the special tax district.

J. Any cost of the consolidated city in connection with the special debt districts and the levying and collection of taxes therefrom and the care of the funds shall be general expenses of the consolidated city and no charges shall be made to any special debt district for such costs.

K. Existing liabilities of either city or the county which, but for consolidation would have been valid and lawful charges or liabilities against such city or county shall be deemed and taken to be like charges against or liabilities of the special debt district which is the area formerly comprising such city or county, and shall accordingly be paid and satisfied by the special debt district to the same extent, and no further, as the city or county would have been bound if no consolidation had taken place. All such charges and liabilities which become due within twenty

years from the effective date of consolidation shall be paid by the special debt district when they become due. Any such charges and liabilities which become due after twenty years from the effective date of consolidation shall be the responsibility of the consolidated city.

L. The rate of such special tax to be added to the base real estate tax and levied only within each special debt district shall in each special debt district be that rate which will produce an amount sufficient to pay the existing liabilities and the indebtedness, bonded and otherwise, as they become due.

XII. Special Service Areas

A. The general tax rate on all property of the same class within the consolidated city shall be uniform, but the Council shall have power to levy a higher tax in such areas of the consolidated city as desire additional or more complete services of government than are desired in the consolidated city as a whole, provided that such higher tax rate shall not be levied for school, police or general government services but only for those services which prior to consolidation were not offered to the same extent in the whole of all the consolidated political subdivisions. The proceeds of such tax shall be segregated and expended in the areas in which collected.

B. Initially and for a period of five years following the effective date of consolidation there shall be only one special service area consisting of the area formerly

constituting the City of Clifton Forge. From this special service area during such five year period shall be levied an additional real estate tax at a rate equal to three-fourths of the rate of the general real estate tax levy in the consolidated city. Thereafter, the governing body of the consolidated city shall abolish said special service area and may create one or more new special service areas and may levy such additional taxes as to it in its sole discretion may seem necessary to provide such additional or more complete services of government.

XIII. Utility Service Districts

A. Water and sewer utilities of the cities and the county shall be consolidated. Water distribution, sewage treatment, administrative and billing functions shall be conducted by the consolidated city.

B. The governing body of the consolidated city may charge and collect such fees, rents and charges for water and sewer use or services as may be authorized by law. Such fees, rents and charges, being in the nature of use or service charges, shall, as nearly as the governing body shall deem practicable and equitable, be uniform for the same type, class and amount of use or service. Differing levels of services in existing service areas and differing investments in treatment facilities may be compensated for and handled by separate rate levels within various districts within the consolidated city.

C. Initially, and for a period of five years following the effective date of consolidation, there shall be three utility service districts which shall coincide with the existing boundaries of Clifton Forge, Covington and Alleghany. In each utility service district during said five year period, fees, rents and charges for water and sewer use or service shall remain at the same level as the rates in effect at the effective date of consolidation, provided, however, that in the event the cost of water or sewer use or service should increase within a service district during said five year period, the benefitting properties in said service district shall bear the increased costs through increased fees, rents or charges.

D. Water and sewer utility debt in existence on the effective date of consolidation not paid in the ordinary course of business by fees, rents or charges, shall be paid by the special debt districts in accordance with Article XI, supra.

XIV. Municipal Seat of Government.

A. The initial municipal seat of government of the consolidated city shall be the existing Alleghany County Courthouse in Covington, Virginia, which shall be retained and named as the courthouse for the consolidated city. The County Administrative Building in the Rosedale area shall be used for administrative offices as determined by the governing body of the consolidated city, including school board offices and social service offices. The method of selecting

any location of a new municipal seat of government or any administrative buildings and facilities, whether by referendum of the people or by vote of council, shall be, as may be authorized by law, left to the discretion of the council of the consolidated city.

B. The Clifton Forge Courthouse shall initially be utilized to provide essential services for the eastern sector of the consolidated city. Services provided at that location may include a police substation and jail; court records, utility fees, tax and license fee collections; voter registration; parks and recreation offices; extension services; magistrate offices; and such other services as deemed necessary by the new governing body.

C. The Covington City Hall shall initially house the following: Community Service Board, Virginia Department of Public Health, Highlands Youth Services, Registrar, Magistrate, Senior Citizens Office, Soil Conservation Service Offices and such other services as deemed necessary by the governing body of the consolidated city.

D. The existing county jail and sheriff's department facilities, shall be maintained as one of two law enforcement and prisoner confinement facilities in the consolidated city until such time as a new law enforcement building may be constructed or otherwise become available.

XV. Charter for the Consolidated City.

A. The charter for the consolidated city set forth in the proposed charter bill attached hereto as "Exhibit A" shall be the charter for the consolidated city resulting from the consolidation of the county and two cities as herein provided, and said charter is incorporated into this agreement as a part hereof and shall become effective at midnight on December 31, 1987, subject to the provisions of Article VIII, supra.

B. The governing bodies of Alleghany and Clifton Forge and the Committee, acting jointly, shall submit the aforesaid charter to the 1986 Session of the General Assembly of Virginia for enactment as the charter of the consolidated city. The said governing bodies and Committee, acting jointly, shall have the authority to negotiate and agree upon any necessary or required provisions or revisions that may be proposed or required by the General Assembly.

XVI. Composition of the Governing Body of the Consolidated City and Designation of Election Districts

A. The initial council of the consolidated city shall consist of all members of the Board of Supervisors of Alleghany County, the Council of the City of Covington and the Council of the City of Clifton Forge in office on the effective date of consolidation, who shall hold office until midnight, June 30, 1988. The initial members of Council shall be paid at the same rate per month as they were paid immediately prior to the effective date of consolidation as

members of their respective governing bodies. This compensation may be changed as provided by law. The initial mayor shall be chosen by the membership of council by majority vote of all the members of council at its first meeting and shall hold office until midnight, June 30, 1988.

B. On and after July 1, 1988, the council of the consolidated city shall consist of seven members, three of whom, including the mayor, to be elected from and by the duly qualified voters at large and one to be elected by the duly qualified voters at large from each of four Election Districts. The four Election Districts shall be those numbered 1 through 4 as shown on the map marked as "Exhibit B" attached hereto and incorporated herein by reference. The initial geographical boundaries of the four Election Districts shall be defined as marked on the map, with the numerically designated districts bearing the following names:

District 1	Clifton Forge
District 2	Falling Springs
District 3	Covington
District 4	Jackson River

The initial boundaries of the Election Districts are those set out by metes and bounds in Deed Book _____, page _____ et seq., in the Office of the Clerk of the Circuit Court of Alleghany County, Virginia.

C. The council of the consolidated city shall be first elected at an election, which the parties agree should be on

the first Tuesday in May, 1988, as provided in Section 24.1-90 of the Code of Virginia, 1950, as amended. The three members, including the Mayor, elected from and by the duly qualified voters at large will be elected to serve a term commencing July 1, 1988 and ending June 30, 1992. The other four members, each of whom is elected by the duly qualified voters at large from an election district, will be elected to serve a term commencing July 1, 1988 and ending June 30, 1990. After the initial election, elections will be held on the first Tuesday in May of an even-numbered year every two years for terms of four years each in accordance with the provisions of Section 24.1-90 of the Code of Virginia, 1950, as amended.

D. In the event of any vacancy of council of the consolidated city, such vacancy shall be filled in accordance with the provisions of applicable law.

XVII. Constitutional Officers.

A. Upon the effective date of consolidation, the constitutional officers of the two cities and the county shall continue in office for the terms to which they were elected, except as provided herein to the contrary. Thereafter, the constitutional officers of the consolidated city shall be elected as provided by law.

B. The clerk of the circuit court, the attorney for the commonwealth, the sheriff and the treasurer and the commissioner of revenue for the consolidated city shall be determined by agreement between those persons holding such

respective offices, and the other or others, as the case may be, shall become assistants or chief deputies, upon filing of a certification of said agreement in the Circuit Court of Alleghany County. In the event no agreement is reached or no certification is filed before December 1, 1987, the Circuit Court of Alleghany County shall designate one officer as principal and the other or others, as the case may be, as assistants or chief deputies. The provisions of Article XXII, infra, shall apply to such assistants or chief deputies.

C. In the event of a vacancy in the office of assistant or chief deputy created pursuant to the provisions of this article, during said term, the position shall be abolished.

XVIII. Effect of Consolidation on Pending Suits against Consolidating Jurisdictions.

If at the time of consolidation there are any pending actions or proceedings by or against the county or either of the cities, or if after the effective date of consolidation an action or proceeding out of a cause of action which arose prior the the time of consolidation, which but for said consolidation would have been by or against the county or either of the cities, is instituted, the consolidated city shall be substituted in place thereof and the proceeding may be perfected to judgment. If judgment against the consolidated city results from said proceeding, the liability shall be paid by the special debt district which is the area

formerly comprising the jurisdiction against which the judgment would have been entered had the consolidation not taken place, as provided in Article XI, supra.

XIX. Pending Suits, Prosecutions and Indictments.

A. From and after the effective date of consolidation, all indictments and prosecutions for crimes committed or ordinances violated and all suits or causes of action arising within the territory of the consolidated city may be instituted in the consolidated city with the same force and effect as if consolidation had always been effective.

B. All criminal prosecutions pending on the effective date of consolidation, whether by indictment, warrant, or other complaint, and all suits, actions, motions, warrants, and other proceedings of a civil nature at law or in chancery, with all the records of the courts of the City of Clifton Forge and the County of Alleghany, shall stand ipso facto removed to the court or courts of concurrent or like jurisdiction of the consolidated city. The Circuit Court of the City of Clifton Forge and other courts having court houses and records in and jurisdiction over the City of Clifton Forge and the Circuit Court of the County of Alleghany and other courts having records in and jurisdiction over the County of Alleghany and the City of Covington shall, at some convenient time, as closely preceding the period of removal as practicable by formal orders entered of record, direct the removal of all such causes and proceedings, civil and criminal, at law and in chancery, to the

court or courts of concurrent or like jurisdictions, of the consolidated city, and, when there are two or more such courts, shall apportion such matters fairly and equally between them. The clerk of the court or courts to which the same have been removed shall thereupon proceed as in other cases of removal or changes in venue, and such matters shall be docketed and proceeded in with the same force and effect as they might have been in the court or courts from which removed. At the same time such clerk or clerks shall also deliver to the property clerk or clerks of the consolidated city wherein the like records are required by law to be kept all deed books, order or minute books, execution dockets, judgment dockets, and other records of his office, of whatever kind or nature; and the clerk or clerks of the court or courts to which the same are removed shall forthwith take charge of and preserve the same for reference and use in the same manner and with the same effect as though they were original records of his office.

XX. Provisions Pertaining to Certain Services.

A. Law Enforcement.

(1) Law enforcement in the consolidated city shall initially be the joint responsibility of the sheriff's department and a newly created police department, whose jurisdictions shall be coterminous with the area of the consolidated city. The newly created police department shall initially consist of the existing police departments of the Cities of Covington and Clifton Forge. The chief of

police shall be appointed by the council of the consolidated city. The sheriff shall be the chief law enforcement officer and shall be selected as provided in Article XVII, supra.

(2) The sheriff and chief of police shall cooperate with the governing body of the consolidated city in the organization and operation of their agencies so as to create maximum coordination, standardization and effectiveness in law enforcement activities, at a fair and equitable cost to the taxpayers of the consolidated city.

(3) Upon the effective date of consolidation, the council of the consolidated city shall request the superintendent of state police to grant the service of the state police in those areas which were formerly the territory of the county for a period of not less than ten years from the effective date of consolidation as provided by Section 52-11.2 of the Code of Virginia, 1950, as amended.

B. Education.

(1) There shall be a consolidated city school board and a division superintendent of schools. Except as otherwise provided in this agreement and in the charter of the consolidated city, the school board and the division superintendent of schools shall exercise all the powers conferred and perform all the duties imposed upon them by general law and the State Board of Education to assure quality education for the consolidated city.

(2) On the effective date of school consolidation, the existing Alleghany Highlands School Board and the Covington School Board shall cease to exist. The consolidated city school board shall consist of seven members who must be duly qualified voters, appointed by council. No less than one nor more than two members shall be selected from each of the four election districts. Council shall appoint school board members for a term of four years, except initially council shall appoint three members to a one year term commencing July 1, 1988 and ending June 30, 1989, and four members to a three year term commencing July 1, 1988 and ending June 30, 1991, thereby instituting staggered terms of office. At least one member from each of the election districts shall be appointed to initial three year terms. The three members appointed to the initial one year terms shall be selected from the members of the existing school boards holding office immediately preceding the effective date of school consolidation. Vacancies shall be filled by the council for any unexpired terms.

(3) The persons holding office as the superintendents of the Alleghany Highlands school division and the Covington school division shall continue in office for the unexpired portion of their terms at no lower rate of pay than they received at the effective date of consolidation. The consolidated city school board shall designate one of such persons as division superintendent and the other as associate superintendent. If the designation is not made on

or before October 31, 1988, the designation shall be made by the Circuit Court for the consolidated city. Thereafter, in the event of a vacancy in the position of superintendent or associate superintendent during the term to which appointed, the remaining incumbent shall be the superintendent and the position of associate superintendent shall be abolished.

(4) The consolidated city school board and the division superintendent shall merge the Alleghany Highlands School Division and the Covington School Division into a single school division utilizing initially all existing facilities and personnel, professional and nonprofessional, in the most efficient and effective manner in order to organize and develop a school system with comprehensive and high quality programs for all students in the consolidated city.

(5) Due to the complexities of the problems involved in organizing and developing these programs to the desired comprehensiveness and quality, while utilizing the facilities and personnel in the most efficient manner, there shall be a two year moratorium from the effective date of consolidation in order to provide sufficient time to adequately study and prepare a feasible implementation schedule. During the period of the moratorium, the schools located in the consolidated city shall be organized and operated as they operated prior to consolidation and all students shall continue to attend the schools from their present attendance zones. All professional instructional

personnel shall, to the extent possible, be assigned to the same schools in which they served prior to consolidation.

C. Emergency Services. The present system of delivery of emergency fire and rescue systems through predominantly independent volunteer agencies will, if continued, provide the citizens of the consolidated city a public service at a minimum cost utilizing a large pool of well-trained, motivated and professional volunteer fire-fighting and rescue teams. For this reason, no initial changes in staffing, funding, capital outlay, equipment or service areas will be required as a result of the consolidation.

D. Leisure Services. Leisure services include the recreation and parks, senior citizen and library programs of the consolidating governments, all of which will become the responsibility of the consolidated city. The importance of community programs in recreation and senior citizen activities is recognized and shall be preserved. Central administration, however, will increase cooperation and coordination in programming. The Clifton Forge library shall be added to the regional library system with the Charles P. Jones Memorial Library, thus creating two central libraries within the consolidated city.

E. Refuse Collection and Disposal. Delivery of refuse collection and disposal service for the entire region will be the responsibility of the consolidated city under one organization.

F. Health and Welfare. The consolidated city shall be the successor to the County and the Cities as to all rights and obligations with respect to the Health Departments, the Chapter 10 Board and the Departments of Social Services, and as to membership on the Chapter 10 Board and Welfare Boards. The consolidated city will have the option to consolidate the health and welfare functions into a human services department under Section 15.1-36.2 of the Code of Virginia, 1950, as amended.

G. Streets and Highways. Upon the effective date of consolidation the council of the consolidated city shall request the State Highway and Transportation Commissioner to grant the full services of the Department of Highways and Transportation in all those areas which were formerly the County for a period not to exceed ten years from the effective date of consolidation and to the same extent such services were rendered prior to the consolidation, as provided by Section 15.1-1131.1 of the Code of Virginia, 1950, as amended.

XXI. Transition Budget.

A. The County and two Cities shall prepare and adopt separate budgets and make appropriations for the full fiscal year beginning July 1, 1987, in accordance with present practices, on the assumption that each would operate independently during such fiscal year. Likewise, the County and two Cities shall impose and levy local taxes sufficient to

provide revenues to meet their respective budgets for said fiscal year.

B. On the effective date of consolidation, the budgets of the County and the two Cities shall be consolidated into a single budget under which the consolidated city shall operate from the effective date of consolidation through June 30, 1988. If any of the individual budgets should produce a deficit, such deficits shall be considered "existing liabilities" under Article XI, supra.

XXII. Personnel Pay and Retirement Benefits.

A. In order to carry on an efficient administration, the consolidated city will need the experience and skills of the employees of the former County and two Cities. Therefore, the consolidated city shall adhere to the principal that all employees, including constitutional officers and their deputies and employees as of the effective date of consolidation, of the three former governments will be retained unless removed for cause, and will be compensated at no lower rate of pay than they received at the effective date of consolidation and that they will occupy positions as comparable as practicable to those occupied at the time of consolidation.

B. The obligations of the County and two Cities under the Virginia Supplemental Retirement System on the effective date of consolidation shall become the indebtedness and obligation of the consolidated city. All employees and retired employees having vested rights under the Virginia

Supplemental Retirement System on the effective date of consolidation shall continue to be covered by such plan as well as by the federal social security system.

XXIII. Governmental Transition Team.

A. Upon approval of this agreement by referendum in each jurisdiction, there shall immediately be created a committee which shall be called the "Governmental Transition Team." Said team shall consist of the Alleghany County Administrator, the City of Covington Manager, the City of Clifton Forge Manager, and six additional members, two appointed by the County and two appointed by each of the Cities. Its initial meeting shall be called by the three chief administrative officers on or after the 30th day and on and before the 40th day following the date of the referendum. The team may act whether or not all of the members have been appointed. At the initial meeting a chairman shall be selected by and from the team membership.

B. It shall be the general responsibility of the Governmental Transition Team to prepare a plan which will permit the orderly transition of the three governments into a consolidated city government. Said plan shall be advisory only and shall contain, but not be limited to, the following:

(1) A description of the duties and responsibilities of each agency and department of the consolidated city along with a chain of command for its operation;

(2) Job descriptions and pay ranges and general qualifications for each position in the consolidated city;

(3) Subject to the provisions of Article XXII, supra, the names of individuals designated to hold each position in the consolidated city except those appointments to be made directly by the council of the consolidated city or by constitutional officers as required by law.

(4) The allocation of office space and equipment among the departments of the consolidated city; and

(5) The designation of counsel to seek an opinion and approval from the Attorney General of the United States or appropriate court relating to the proposed consolidation and its conformity with federal election laws.

XXIV. Enforcement of Ordinances, Laws and Regulations.

A. Upon and after the effective date of consolidation all ordinances and resolutions of a general and permanent nature and not inconsistent with this agreement previously adopted or enacted by the governing bodies of the County or the two Cities shall continue in effect until repealed by the council of the consolidated city, and, if not repealed, for a period not to exceed five years. During said five year period all such ordinances and resolutions shall be repealed or shall be compiled, conformed and adopted by the council of the consolidated city in the codification of its ordinances and resolutions. Such previously adopted or enacted ordinances and resolutions shall be limited in their application to the territory in which they were effective

immediately prior to the effective date of such consolidation and shall be so construed, applied and enforced as to give practical effect to their meaning at the time of adoption.

B. Upon and after the effective date of consolidation all appointed police officers and other appointed law enforcement officers and officials possessing police powers under the law or ordinance pursuant to which they were appointed and all appointed fire and health officers or officials of the County and two Cities shall continue to have and possess all police powers and authority and be charged with the same duties and responsibilities as such officers or officials possessed immediately prior to the effective date of such consolidation and the territorial jurisdiction of all such officers and officials for the exercise of such powers and authority and for the discharge of their duties and responsibilities shall extend throughout the boundary of the consolidated city.

XXV. The Town of Iron Gate.

The Town of Iron Gate is not a party to this Consolidation Agreement. In the event the proposed consolidation is approved by the voters as required by law, the Town of Iron Gate shall continue as a township as provided by Section 15.1-1146.1 of the Code of Virginia, 1950, as amended. The consolidated city shall exercise such powers in the township as exercised by the County in the town prior to consolidation.

XXVI. Severability.

In the event that any portion, paragraph, section or provision of this Consolidation Agreement shall be declared illegal, invalid or unconstitutional by final judgment of any court of competent jurisdiction, such judgment of invalidity shall not invalidate any other portion, paragraph, section or provision hereof, but all parts of this Consolidation Agreement not expressly held to be invalid shall remain in full force and effect, and it is agreed and understood that this Consolidation Agreement would have been entered into without such invalid provision.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Alleghany, pursuant to a resolution of said Board at a meeting on the 21st day of August, 1985, has caused this Consolidation Agreement to be signed by Clarence W. Farmer, its Chairman, and its seal to be hereunto affixed, duly attested to by Randal E. Arno, its Clerk, as of the 21st day of August, 1985; and

the City Council of the City of Clifton Forge, Virginia, pursuant to a resolution of said Council at a meeting on the 21st day of August, 1985, has caused this Consolidation Agreement to be signed by George R. Goode, Sr., its Mayor, and its seal to be hereunto affixed, duly attested by V. Craig Hudson, its Clerk, as of the 21st day of August, 1985; and

the Committee appointed by Order of the Circuit Court of Alleghany County dated November 7, 1984, to act for and in lieu of the governing body of the City of Covington, Virginia, pursuant to §15.1-1132 of the Code of Virginia, 1950, as amended, pursuant to a resolution of said Committee at a meeting on the 21st day of August, 1985, has caused this Consolidation Agreement to be signed and sealed by each of its members:

COUNTY OF ALLEGHANY

By: Lawrence H. Jermol
Chairman of the
Board of Supervisors

ATTEST:

Randy E. Evans
Clerk

CITY OF CLIFTON FORGE, VIRGINIA

By: George R. Gooden Sr.
Mayor

ATTEST:

I. Craig Huber
Clerk

CITIZENS COMMITTEE FOR CONSOLIDATION

Charles E. Nichols (SEAL)
Charles E. Nichols

John Peters (SEAL)
John Peters

Harold E. Matics (SEAL)
Harold E. Matics

Kenneth L. Bryant (SEAL)
Kenneth L. Bryant

Robert R. Terry (SEAL)
Robert R. Terry

STATE OF VIRGINIA AT LARGE

CITY/COUNTY OF Alleghany, to-wit:

The foregoing Agreement was acknowledged before me in the jurisdiction aforesaid this 21st day of August, 1985 by Clarence W. Farmer, Chairman of the Board of Supervisors of the County of Alleghany, a county under the laws of the Commonwealth of Virginia, on behalf of the County of Alleghany.

My commission expires: September 7, 1985

Kathleen F. Nicely
Notary Public

STATE OF VIRGINIA AT LARGE

CITY/COUNTY OF Alleghany, to-wit:

The foregoing Agreement was acknowledged before me in the jurisdiction aforesaid this 21st day of August, 1985 by Randal E. Arno, Clerk of the Board of Supervisors of the County of Alleghany, a county under the laws of the Commonwealth of Virginia, on behalf of the County of Alleghany.

My commission expires: September 7, 1985

Kathleen F. Nicely
Notary Public

STATE OF VIRGINIA AT LARGE

CITY/COUNTY OF Alleghany, to-wit:

The foregoing Agreement was acknowledged before me in the jurisdiction aforesaid this 21st day of August, 1985 by George R. Gadsden,

Mayor of the City of Clifton Forge, Virginia, a municipal corporation under the laws of the Commonwealth of Virginia, on behalf of the City of Clifton Forge, Virginia.

My commission expires: September 7, 1985

Kathleen J. Peuley
Notary Public

STATE OF VIRGINIA AT LARGE

CITY/COUNTY OF Alleghany, to-wit:

The foregoing Agreement was acknowledged before me in the jurisdiction aforesaid this 21st day of August, 1985 by V. Craig Hudson, Clerk of the City of Clifton Forge, Virginia, a municipal corporation under the laws of the Commonwealth of Virginia, on behalf of the City of Clifton Forge, Virginia.

My commission expires: September 7, 1985

Kathleen J. Peuley
Notary Public

STATE OF VIRGINIA AT LARGE

CITY/COUNTY OF Alleghany, to-wit:

The foregoing Agreement was acknowledged before me in the jurisdiction aforesaid this 21st day of August, 1985 by Charles E. Nichols, John Peters, Harold E. Matics, Kenneth L. Bryant and Robert R. Terry, members of the Citizens Committee for Consolidation appointed by order of the Circuit Court of Alleghany County, Virginia.

My commission expires:

September 7, 1985

Kathleen F. Nisly

Notary Public

APPENDIX B

PROPOSED CHARTER
CITY OF ALLEGHANY HIGHLANDS
(CHAPTER 496, ACTS OF ASSEMBLY, 1986)

1986 SESSION

VIRGINIA ACTS OF ASSEMBLY - CHAPTER 496

An Act to provide a charter for the City of Alleghany Highlands, and to repeal Chapter 217 of the Acts of Assembly of 1918, which provided a charter for the City of Clifton Forge, and Chapter 227 of the Acts of Assembly of 1954, which provided a charter for the City of Covington.

[H 39]

Approved APR 7 1986

Be it enacted by the General Assembly of Virginia:

1.

CHARTER OF THE CITY OF ALLEGHANY HIGHLANDS

Chapter I.

Incorporation and Boundaries

§ 1.01. *Incorporation. The inhabitants of the territory comprised within the limits of the County of Alleghany and the Cities of Clifton Forge and Covington, as they are or hereafter may be established by law, shall be a body politic and corporate under the name of the City of Alleghany Highlands and as such shall have perpetual succession, may sue and be sued, contract and be contracted with and may have a corporate seal which it may alter at its pleasure.*

§ 1.02. *Boundaries. The boundaries of the City of Alleghany Highlands shall coincide with the boundaries of the County of Alleghany so as to include all of the territory comprising the county and the Cities of Clifton Forge and Covington as existing immediately preceding the effective date of this charter. The boundaries are incorporated herein by reference to the Acts of Assembly of 1822, as amended, establishing the boundaries of Alleghany County.*

Chapter II.

Powers

§ 2.01. *General grant. The city shall have and may exercise the powers set forth in Chapter 18 of Title 15.1 of the Code of Virginia, 1950, as amended (as in force on the effective date of this charter and as hereafter amended). In addition thereto, the city shall have and may exercise all other powers which are now or may hereafter be conferred upon or delegated to cities of the first class under the Constitution and laws of the Commonwealth and all other powers pertinent to the conduct of a city government, which in the opinion of the council are necessary or desirable to promote the general welfare of the city and the safety, health, peace, good order, comfort, convenience and morals of its inhabitants. No enumeration of particular powers in this charter shall be held to be exclusive but shall be held to be in addition to this general grant of powers.*

§ 2.02. *Financial powers. In addition to powers granted elsewhere in this charter, the city shall have the power to raise by taxes and assessments, as permitted by general law, in the city, such sums of money as the council, in its sole discretion, shall deem necessary to pay the debts, defray the expenses of the city and maintain reasonable reserves and surpluses. Without limiting the generality of the foregoing, but in addition thereto, the city shall have the following additional powers:*

A. *To levy a higher tax in such areas of the city as desire additional or more complete services of government than are desired in the city as a whole, provided that such higher tax rate shall not be levied for school, police or general government services but only for those services which prior to the effective date of this charter were not offered in all the territory within the boundaries of the city and provided further that the proceeds from such higher tax rate shall be so segregated as to enable the same to be expended in the areas in which raised.*

B. *In the event the fees, rents or charges payable for the use and services of any public utility or public service supplied by the City of Alleghany Highlands for or in connection with any real property shall not be paid when due, interest may be charged on such unpaid balance at the legal rate of interest. Such fees, rents or charges and the interest due thereon shall constitute a lien against such property, ranking on a parity with liens for unpaid town, city or county taxes, and shall also be recoverable by the city in an action at law or a suit in equity.*

C. *To levy and collect taxes for admission to or other charge for any public amusement, entertainment, performance, exhibition, sport or athletic event in the city.*

which taxes may be added to and collected with the price of such admission or other charge; to levy and collect meals and transient occupancy taxes.

D. To levy and provide for the assessment and collection of license taxes on all public service corporations doing business within the city in such manner as the city council shall deem expedient in accordance with the laws of this Commonwealth; such authority shall be in addition to other provisions of law permitting the imposition of license taxes on businesses, trades, professions, occupations and callings and upon the persons, firms and corporations engaged therein within the city.

E. To levy a special tax on real property in any area specified in the Consolidation Agreement for the purpose of repaying existing liabilities and indebtedness, bonded and otherwise, as may be defined by said agreement, chargeable to such area prior to consolidation for a period not to exceed twenty years, in addition to the general tax rate throughout the city.

Chapter III.

City Council

§ 3.01. Composition. A. The initial council shall consist of all members of the Board of Supervisors of Alleghany County, the Council of the City of Covington and the Council of the City of Clifton Forge in office on the effective date of this charter, who shall hold office until midnight, June 30, 1988.

B. On and after July 1, 1988, the council of the city shall consist of seven members, three of whom, including the mayor, to be elected from and by the duly qualified voters at large and one to be elected by the duly qualified voters at large from each of four election districts. The four election districts shall be those named and generally described in the Consolidation Agreement and may be changed periodically as provided by applicable law in order to make the population of each approximately one-fourth of the population of the city.

C. The council members shall be first elected at the general election on the first Tuesday in May, 1988, as provided in § 24.1-90 of the Code of Virginia, 1950, as amended. The three members, including the mayor, elected from and by the duly qualified voters at large will be elected to serve a term commencing July 1, 1988, and ending June 30, 1992. The other four members, each of whom is elected by the duly qualified voters at large from an election district, will be elected to serve a term commencing July 1, 1988, and ending June 30, 1990. After the initial election, elections will be held on the first Tuesday in May of in every even-numbered year for terms of four years each in accordance with the provisions of § 24.1-90 of the Code of Virginia, 1950, as amended.

D. In the event of any vacancy of council of the consolidated city, such vacancy shall be filled in accordance with the provisions of applicable law.

§ 3.02. Compensation. A. The initial members of council shall be paid at the same rate per month as they were paid immediately prior to the effective date of this charter as members of their respective governing bodies. This compensation may be changed as provided by law.

B. On and after July 1, 1988, council members, including the mayor, shall receive as compensation for their services such amounts as the council may determine and as may be authorized by applicable law, except as may be otherwise provided in the Consolidation Agreement.

§ 3.03. Powers. All powers vested in the city shall be exercised by the council, except as otherwise provided in this charter. In addition to the foregoing the council shall have the following powers:

1. To provide for the organization, conduct and operation of all departments, bureaus, divisions, boards, commissions, offices and agencies of the city.
2. To create, alter or abolish departments, bureaus, divisions, boards, commissions, offices and agencies except as specifically provided herein to the contrary.
3. To assign and reassign to all departments, bureaus, divisions, offices and agencies, except as specifically provided herein to the contrary.
4. To provide for the number, titles, qualifications, powers, duties and compensation of all officers and employees of the city.

5. To provide for the form of oaths and the amount and condition of surety bonds to be required of certain officers and employees of the city, including when authorized by general law, constitutional officers and their deputies, assistants and employees.

§ 3.04. Procedural powers. The council shall have the power, subject to the provisions of this charter, to adopt its own rules of procedure, which rules shall be for the convenience of the council only. Such rules shall provide for the time and place of holding

They shall also provide for the calling of special meetings by the mayor, the city manager or any two members of the council and shall prescribe the methods of giving notice thereof. A majority of the council shall constitute a quorum for the transaction of business. No ordinance, resolution, motion or vote, other than motions to adjourn, to fix the time and place of adjournment and other motions of a purely procedural nature, shall be adopted by the council except at a meeting open to the public.

§ 3.05. Mayor. The mayor shall preside over the meetings of council, shall act as head of the city government for ceremonial purposes, and shall have such other rights and duties as the council may prescribe. The mayor shall have the same powers and duties as other members of council, with a vote, but no veto.

§ 3.06. Clerk. The council shall appoint a city clerk to serve at the pleasure of the council who shall be clerk to the council and custodian of the corporate seal of the city and shall have such further duties as the council may prescribe.

§ 3.07. Ordinances. No ordinance, unless it be an emergency ordinance, shall be passed until after a descriptive notice of an intention to propose the same for passage shall have been published once a week for two successive weeks prior to its adoption in some newspaper published and having a general circulation in the city. The second publication shall not be sooner than one calendar week after the first publication. The publication shall include a statement that a copy of the full text of the ordinance is on file in the office of the city manager. After the enactment of such ordinance by council, it shall become effective upon adoption or upon a date fixed by council. Emergency ordinances may be adopted without notice of intention, but no emergency ordinance shall be enforced for more than sixty days unless readopted in conformity with the provisions of this section.

Chapter IV.

City Manager

§ 4.01. Appointment; qualifications. The council shall appoint a city manager who shall be the executive and chief administrative officer of the city government. The city manager shall be chosen solely on the basis of executive and administrative qualifications and shall serve at the pleasure of the council.

§ 4.02. Powers and duties. The city manager shall have the administrative and executive powers and duties vested in the city manager under the city manager plan of government.

Chapter V.

Borrowing

§ 5.01. Power. The council may, in the name of and for the use of the city, incur indebtedness by issuing its negotiable bonds or notes for the purposes, in the manner and to the extent provided in this chapter and by law.

§ 5.02. Purposes for which bonds or notes may be issued. Bonds, and notes in anticipation of bonds when the issuance of bonds has been authorized as hereinafter provided, may be issued for any purpose for which cities are authorized to issue bonds by the Constitution or general law. Notes may be issued, when authorized by the council, at any time during the current fiscal year for the purpose of meeting appropriations made for such fiscal year, in anticipation of the collection of the taxes and revenues of such fiscal year, and within the amount of such appropriations.

§ 5.03. Limitations on indebtedness. In the issuance of bonds and notes, the city shall be subject to the limitations as to amounts contained in Section 10 (a) of Article VII of the Constitution.

§ 5.04. Form of bonds and notes. Bonds and notes of the city shall be issued in the manner provided by general law.

§ 5.05. Authority for issuance of bonds. No bonds or notes of the city shall be issued until their issuance shall have been authorized by a majority of the qualified voters of the city voting on the question at an election held for the purpose in the manner provided by general law, except as follows:

A. The council may authorize the issuance of refunding bonds or notes by an ordinance adopted by the affirmative vote of a majority of all members of the council.

B. The council may authorize the issuance of bonds and other obligations of a type excluded from the computation of indebtedness of cities under Section 10 (a) of Article VII of the Constitution by complying with the conditions for exclusion set forth therein.

C. The council may authorize the issuance of bonds and other obligations of a type included in the computation of indebtedness of cities under Section 10 (a) of Article VII of the Constitution provided that the amount of such bonds or notes together with existing indebtedness of the city shall not exceed the amount set forth in that section

§ 5.06. *Payment of bonds and notes.* The power and obligations of the city to pay any and all bonds and notes issued pursuant to this chapter, except revenue bonds made payable solely from revenue-producing properties, shall be unlimited and the city shall levy ad valorem taxes upon all taxable property within the city for the payment of such bonds or notes and the interest thereon, without limitation as to rate or amount. The full faith and credit of the city are hereby pledged for the payment of the principal and interest on all bonds and notes of the former Cities of Covington and Clifton Forge and the former County of Allegheny, issued and outstanding on the effective date of this chapter, and of the city hereafter issued pursuant to this chapter, except revenue bonds made payable solely from revenue-producing properties, whether or not such pledge be stated in the bonds or notes or in the bond ordinance authorizing their issuance.

Chapter VI.

Education

§ 6.01. *Appointment of School Board.* At midnight on June 30, 1988, the existing Allegheny Highlands School Division and Board and the Covington School Division and Board shall cease to exist. There shall be created a new school division and board to be known as the City of Allegheny Highlands School Division and Board. The Board shall consist of seven members who must be duly qualified voters, appointed by the council. No less than one nor more than two members shall be selected from each of the four election districts. Council shall appoint school board members for a term of four years, except initially council shall appoint three members to one-year terms commencing July 1, 1988 and ending June 30, 1989, and four members to three-year terms commencing July 1, 1988 and ending June 30, 1991, thereby instituting staggered terms of office. At least one member from each of the election districts shall be appointed to initial three-year terms. The three members appointed to the initial one-year terms shall be selected from the members of the existing school boards holding office immediately preceding the effective date of school consolidation. Vacancies shall be filled by the council for any unexpired terms.

§ 6.02. *Elementary school attendance zones.* In addition to other powers, duties and obligations granted to the School Board by the laws of the Commonwealth, the School Board shall take care that elementary schools are so located near pupil population that pupil assignment plans will contribute to the efficiency of the school division and minimize busing.

§ 6.03. *Appointment of initial superintendent of schools.* The persons holding office as the superintendents of the Allegheny Highlands School Division and the Covington School Division shall continue in office for the unexpired portion of their terms at no lower rate of pay than they received at the effective date of the consolidation of the school divisions. The newly created city school board shall designate one of such persons as division superintendent and the other as associate superintendent. If the designation is not made on or before October 31, 1988, the designation shall be made by the circuit court for the city. In the event of a vacancy in the position of superintendent or associate superintendent during the term to which appointed, the remaining incumbent shall be the superintendent and the position of associate superintendent shall be abolished. After the term to which the initial superintendent is appointed, the superintendent of schools shall be appointed as provided by general law.

Chapter VII.

Law Enforcement

§ 7.01. *Department of police.* The department of police shall consist of a chief of police and such other officers and employees as may be provided by the council. The police department shall be responsible for preservation of the public peace, protection of the rights of persons and property and enforcement of the laws of the Commonwealth and ordinances of the city. The chief of police and the other members of the police force shall have all the powers and duties of police officers as provided by general law. The chief of police shall be appointed by the council. The city council may appoint the city sheriff as the chief of police.

§ 7.02. *Additional functions of sheriff.* The sheriff shall exercise all the powers conferred and perform all the duties imposed upon such officer by general law. He shall perform such additional duties, not inconsistent with his office, as the city council shall direct, and shall be accountable to the city council as to such additional duties only.

Chapter VIII.

Utility Services

§ 8.01. *Utility service districts.* The council may charge and collect such fees, rents and charges for water, sewer and other utility uses or services provided by the city as may be

authorized by law. Such fees, rents and charges, being in the nature of use or service charges, shall, as nearly as the governing body shall deem practicable and equitable, be uniform for the same type, class and amount of use or service. Differing levels of services in existing service areas and differing investments in treatment facilities may be compensated for and handled by separate rate levels within various districts, which may be established by the consolidation agreement or by council and shall be known as utility service districts.

§ 8.02. Utilities defined. For purposes of this chapter utility uses or services are defined as the production, transmission, delivery or furnishing of heat, gas, water, light, power, sewerage collection and treatment or solid waste collection and disposal services, either directly or indirectly, to or for the public by the city.

Chapter IX.

Constitutional Officers

§ 9.01. Powers and duties. The clerk of the circuit court, attorney for the Commonwealth, commissioner of revenue, city treasurer and city sheriff shall have powers and perform such duties as are provided by the Constitution of the Commonwealth, and except as otherwise provided in this charter, as are provided by the provisions of general law for cities of the first class.

§ 9.02. Election and terms of office. A. Upon the effective date of this charter, the constitutional officers of the Cities of Covington and Clifton Forge and the County of Alleghany shall continue in office until the first day of January following the next regularly scheduled election pursuant to §§ 24.1-86 and 24.1-87 of the Code of Virginia, 1950, as amended, except as provided herein to the contrary. Thereafter, the constitutional officers of the city shall be elected as provided by the Constitution and general law of the Commonwealth.

B. The clerk of the circuit court, the attorney for the Commonwealth, the sheriff and the treasurer and the commissioner of revenue for the city shall be determined by agreement between those persons holding such respective offices, and the other or others, as the case may be, shall become assistants or chief deputies, upon filing of a certification of said agreement in the Circuit Court of Alleghany County. In the event no agreement is reached or no certification is filed before December 1, 1987, the Circuit Court of Alleghany County shall designate one officer as principal and the other or others, as the case may be, as assistants or chief deputies. Elections of constitutional officers for the consolidating jurisdictions scheduled in November 1987, shall be held as scheduled in order to implement this provision. Such newly elected officers may or may not become the principal constitutional officers of the city under this clause.

C. In the event of a vacancy in the office of assistant or chief deputy created pursuant to the provisions of this chapter, during said term, the position shall be abolished.

Chapter X.

Miscellaneous Provisions

§ 10.01. Consolidation agreement. References in the charter are to the Consolidation Agreement, and any amendments thereto, made and entered into by and between the County of Alleghany, the City of Clifton Forge, and the Committee appointed by order of the Circuit Court of Alleghany County dated November 7, 1984, to act for and in lieu of the governing body for the City of Covington pursuant to § 15.1-1132 of the Code of Virginia, as amended.

§ 10.02. Assets of former cities and county. All property, real and personal, of the County of Alleghany and the Cities of Clifton Forge and Covington, including debts owed to each, shall, on the effective date of this charter, become the property of and be vested in the city.

§ 10.03. Ordinances continued in effect. All ordinances, rules, regulations and orders legally made by the Cities of Clifton Forge and Covington and the County of Alleghany in force on the effective date of this charter, insofar as they or any portion thereof are not inconsistent with this charter or the Consolidation Agreement, shall remain in full force and effect as provided in the Consolidation Agreement.

§ 10.04. Township of Iron Gate. The Town of Iron Gate shall continue as a township as provided by § 15.1-1146.1 of the Code of Virginia, 1950, as amended. The city shall exercise such powers in the township as exercised by the county in the town prior to the effective date of this charter.

§ 10.05. Appointments by courts. All appointments required for this charter or by general law to be made by the circuit court or the judge or judges thereof shall be made by the judge normally designated by the Chief Judge of the Judicial Circuit to preside at the sessions of the circuit court.

§ 10.06. Plan of government. The plan of government provided by this charter may be changed to any other plan for the government of cities in the manner provided by general law.

§ 10.07. Severability. In the event that any portion, section or provision of this charter shall be declared illegal, invalid or unconstitutional by final judgment of any court of competent jurisdiction, such judgment shall not invalidate any other portion, section or provisions hereof, but all parts of this charter not expressly held to be invalid shall remain in full force and effect.

2. That Chapter 217 of the Acts of Assembly of 1918, as amended, and Chapter 227 of the Acts of Assembly of 1954, as amended, are repealed.

3. That this act shall become effective at midnight on December 31, 1987, provided the consolidation of the County of Allegheny and the Cities of Clifton Forge and Covington be ordered by the Circuit Court of Allegheny County prior thereto.

President of the Senate

Speaker of the House of Delegates

Approved:

Governor

APPENDIX C

STATISTICAL PROFILE OF ALLEGHANY COUNTY,
CITY OF CLIFTON FORGE, AND CITY OF COVINGTON

STATISTICAL PROFILE OF THE CITY OF COVINGTON, COUNTY OF ALLEGHANY
AND THE CITY OF CLIFTON FORGE

	<u>City of Covington</u>	<u>County of Alleghany</u>	<u>City of Clifton Forge</u>
Population (1984) ¹ .	7,800	13,700	4,900
Land Area (Square Miles) ² .	4.4	444.4	3.2
School Average Daily ³ . Membership (1984-85)	1,309	(Alleghany Highlands 3,537)*	
Total Assesed Values (1984) ⁴ .	161,725,947	239,012,948	77,017,054
Real Estate Values (1984)	127,815,820	191,250,412	61,588,410
Public Service Corporation Values (1984)	10,762,252	20,957,854	9,654,068
Personal Property Values (1984)	8,681,315	13,834,562	5,768,730
Machinery and Tools Values (1984)	14,466,560	12,970,120	5,846
Mobile Home Values (1985)	1,518,790 ⁵ .	2,763,973 ⁶ .	37,065 ⁷ .
Total Taxable Sales (1985) ⁸ .	69,610,855	41,978,877	19,249,885
Existing Land Use (Acres)	<u>1985</u> ⁹ .	<u>1979</u> ¹⁰ .	<u>1976</u> ¹¹ .
Residential	866	7,509	403
Commercial	81		27
Industrial	311		7**
Public and Semi-Public	173		99
Roads or Railroads	287		436
Agricultural, Wooded, or Vacant	832	281,305	1,046

NOTES:

*Alleghany Highlands School Division was created in July 1982 by the consolidation of the Alleghany County and the City of Clifton Forge school divisions.

**Includes the land use category for communication and utilities.

SOURCES:

1. Julia H. Martin and David W. Sheatsley, Estimates of the Population of Virginia Counties and Cities: 1983 (Final) and 1984 (Provisional) (Charlottesville: Tayloe Murphy Institute, University of Virginia, August 1985), Table 2.
2. Consolidation Notice, p. 4. In the matter of the review of the consolidation of three local governments into a single city as proposed by the Consolidation Agreement between the County of Alleghany, Virginia, the City of Clifton Forge, Virginia, and the Committee appointed by Order of the Circuit Court of Alleghany County to act for and in lieu of the governing body for the City of Covington.
3. Virginia Department of Education, Annual Report of the Superintendent of Public Instruction, 1984 - 1985, April 1986, Table 16.
4. Virginia Department of Taxation, Annual Report for the Fiscal Year Ended June 30, 1985, Tables 5.4, 5.5 and 5.7.
5. Kim Tyree, Office of the City Manager, communication with staff of Commission on Local Government, June 26, 1986.
6. Karen Wenke, Office of the County Manager, communication with staff of Commission on Local Government, June 24, 1986.
7. Roger D. Baker, City Manager, communication with staff of Commission on Local Government, June 24, 1986.
8. Virginia Department of Taxation, Taxable Sales in Virginia Counties and Cities, Annual Report, 1985, pp. 7, 106, 108.
9. Helen Smythers, Local/Regional Planner, Fifth Planning District Commission, communication with staff of Commission on Local Government, June 23, 1986.
10. Alleghany County, Comprehensive Plan, August 1985. Based on 1979 data. Aggregate number of acres is only data available; also includes land for roads or railroads.
11. Fifth Planning District Commission, Clifton Forge, An Inventory for Planning, 1976, p. 72.

APPENDIX D
FISCAL CAPACITY
INTRAREGIONAL
1974-1983

Fiscal Capacity
Ratio Scores Based Upon Local Resources

Locality	1				2				3				4			
	True Value Per Capita	Adj. Gross Income Per Capita	Total Retail Sales Per Capita	Taxable Retail Sales Per Capita	True Value Per Capita	Adj. Gross Income Per Capita	Total Retail Sales Per Capita	Taxable Retail Sales Per Capita	True Value Per Capita	Adj. Gross Income Per Capita	Total Retail Sales Per Capita	Taxable Retail Sales Per Capita	True Value Per Capita	Adj. Gross Income Per Capita	Total Retail Sales Per Capita	Taxable Retail Sales Per Capita
Allegheny County	11,028	3,376	760	6,941	11,028	3,376	760	6,941	11,028	3,376	760	6,941	11,028	3,376	760	6,941
Clifton Forge City	7,336	3,306	2,435	5,234	7,336	3,306	2,435	5,234	7,336	3,306	2,435	5,234	7,336	3,306	2,435	5,234
Covington City	9,696	3,066	3,223	6,397	9,696	3,066	3,223	6,397	9,696	3,066	3,223	6,397	9,696	3,066	3,223	6,397
Allegheny High. City-1974	9,847	3,254	1,947	6,420	9,847	3,254	1,947	6,420	9,847	3,254	1,947	6,420	9,847	3,254	1,947	6,420
Allegheny County	10,178	3,501	896	6,579	10,178	3,501	896	6,579	10,178	3,501	896	6,579	10,178	3,501	896	6,579
Clifton Forge City	8,347	3,482	2,633	5,829	8,347	3,482	2,633	5,829	8,347	3,482	2,633	5,829	8,347	3,482	2,633	5,829
Covington City	11,736	3,204	3,313	7,481	11,736	3,204	3,313	7,481	11,736	3,204	3,313	7,481	11,736	3,204	3,313	7,481
Allegheny High. City-1975	10,364	3,394	2,070	6,747	10,364	3,394	2,070	6,747	10,364	3,394	2,070	6,747	10,364	3,394	2,070	6,747
Allegheny County	10,830	3,698	866	6,981	10,830	3,698	866	6,981	10,830	3,698	866	6,981	10,830	3,698	866	6,981
Clifton Forge City	8,155	3,884	2,766	5,908	8,155	3,884	2,766	5,908	8,155	3,884	2,766	5,908	8,155	3,884	2,766	5,908
Covington City	14,001	3,750	3,954	8,896	14,001	3,750	3,954	8,896	14,001	3,750	3,954	8,896	14,001	3,750	3,954	8,896
Allegheny High. City-1976	11,367	3,750	2,235	7,405	11,367	3,750	2,235	7,405	11,367	3,750	2,235	7,405	11,367	3,750	2,235	7,405
Allegheny County	11,919	4,238	1,089	7,764	11,919	4,238	1,089	7,764	11,919	4,238	1,089	7,764	11,919	4,238	1,089	7,764
Clifton Forge City	10,106	4,295	2,971	7,068	10,106	4,295	2,971	7,068	10,106	4,295	2,971	7,068	10,106	4,295	2,971	7,068
Covington City	17,336	4,111	4,588	10,771	17,336	4,111	4,588	10,771	17,336	4,111	4,588	10,771	17,336	4,111	4,588	10,771
Allegheny High. City-1977	13,338	4,207	2,570	8,609	13,338	4,207	2,570	8,609	13,338	4,207	2,570	8,609	13,338	4,207	2,570	8,609
Allegheny County	13,590	4,641	1,077	8,759	13,590	4,641	1,077	8,759	13,590	4,641	1,077	8,759	13,590	4,641	1,077	8,759
Clifton Forge City	10,720	4,593	3,030	7,500	10,720	4,593	3,030	7,500	10,720	4,593	3,030	7,500	10,720	4,593	3,030	7,500
Covington City	21,048	4,517	5,056	12,836	21,048	4,517	5,056	12,836	21,048	4,517	5,056	12,836	21,048	4,517	5,056	12,836
Allegheny High. City-1978	15,461	4,593	2,706	9,838	15,461	4,593	2,706	9,838	15,461	4,593	2,706	9,838	15,461	4,593	2,706	9,838
Allegheny County	16,072	5,092	1,276	10,200	16,072	5,092	1,276	10,200	16,072	5,092	1,276	10,200	16,072	5,092	1,276	10,200
Clifton Forge City	12,813	4,968	3,366	8,730	12,813	4,968	3,366	8,730	12,813	4,968	3,366	8,730	12,813	4,968	3,366	8,730
Covington City	23,070	5,080	5,229	14,090	23,070	5,080	5,229	14,090	23,070	5,080	5,229	14,090	23,070	5,080	5,229	14,090
Allegheny High. City-1979	17,689	5,066	2,897	11,161	17,689	5,066	2,897	11,161	17,689	5,066	2,897	11,161	17,689	5,066	2,897	11,161
Allegheny County	16,939	5,389	1,296	10,754	16,939	5,389	1,296	10,754	16,939	5,389	1,296	10,754	16,939	5,389	1,296	10,754
Clifton Forge City	14,433	5,486	3,751	9,786	14,433	5,486	3,751	9,786	14,433	5,486	3,751	9,786	14,433	5,486	3,751	9,786
Covington City	23,954	5,360	5,649	14,686	23,954	5,360	5,649	14,686	23,954	5,360	5,649	14,686	23,954	5,360	5,649	14,686
Allegheny High. City-1980	18,730	5,397	3,118	11,835	18,730	5,397	3,118	11,835	18,730	5,397	3,118	11,835	18,730	5,397	3,118	11,835
Allegheny County	17,534	5,696	1,568	11,213	17,534	5,696	1,568	11,213	17,534	5,696	1,568	11,213	17,534	5,696	1,568	11,213
Clifton Forge City	13,709	5,981	3,649	9,612	13,709	5,981	3,649	9,612	13,709	5,981	3,649	9,612	13,709	5,981	3,649	9,612
Covington City	23,114	5,602	5,337	14,331	23,114	5,602	5,337	14,331	23,114	5,602	5,337	14,331	23,114	5,602	5,337	14,331
Allegheny High. City-1981	18,606	5,717	3,165	11,906	18,606	5,717	3,165	11,906	18,606	5,717	3,165	11,906	18,606	5,717	3,165	11,906
Allegheny County	19,081	6,242	1,893	12,227	19,081	6,242	1,893	12,227	19,081	6,242	1,893	12,227	19,081	6,242	1,893	12,227
Clifton Forge City	14,593	6,445	3,890	10,263	14,593	6,445	3,890	10,263	14,593	6,445	3,890	10,263	14,593	6,445	3,890	10,263
Covington City	23,749	6,046	5,500	14,843	23,749	6,046	5,500	14,843	23,749	6,046	5,500	14,843	23,749	6,046	5,500	14,843
Allegheny High. City-1982	19,735	6,217	3,370	12,691	19,735	6,217	3,370	12,691	19,735	6,217	3,370	12,691	19,735	6,217	3,370	12,691

Locality	1 True Value Per Capita	2 Total Adj. Gross Income Per Capita	3 Taxable Retail Sales Per Capita	4 Modified Index of Wealth Per Capita
Allegheny County	18,308	6,990	2,033	12,154
Clifton Forge City	14,986	6,687	3,919	10,560
Covington City	17,894	6,373	6,637	12,160
Allegheny High. City-1983	17,573	6,747	3,775	11,863

See notes and sources in Appendix K.

APPENDIX E

FISCAL CAPACITY
ALLEGHANY HIGHLANDS -- ALL VIRGINIA CITIES AND COUNTIES
1974-1983

Fiscal Capacity: Modified Local Wealth Index Per Capita

Year	Alleghany Highlands Score	Statewide Score	Highlands/Statewide Ratio
1974	6,420	8,733	0.735
1975	6,747	9,267	0.728
1976	7,405	9,948	0.744
1977	8,609	10,785	0.798
1978	9,838	12,017	0.819
1979	11,161	13,627	0.819
1980	11,835	15,263	0.775
1981	11,906	16,562	0.719
1982	12,691	17,312	0.733
1983	11,863	18,337	0.647

See notes and sources in Appendix K.

3

Fiscal Capacity: Taxable Retail Sales Per Capita

Year	Alleghany Highlands Score	Statewide Score	Highlands/Statewide Ratio
1974	1,947	2,330	0.836
1975	2,070	2,370	0.873
1976	2,235	2,565	0.871
1977	2,570	2,832	0.907
1978	2,706	3,137	0.863
1979	2,897	3,334	0.869
1980	3,118	3,605	0.865
1981	3,165	3,826	0.827
1982	3,370	3,972	0.848
1983	3,775	4,400	0.858

See notes and sources in Appendix K.

2
Fiscal Capacity: Total Adjusted Gross Income Per Capita

Year	Allegheny Highlands Score	Statewide Score	Highlands/Statewide Ratio
1974	3,254	4,112	0.791
1975	3,394	4,304	0.789
1976	3,750	4,776	0.785
1977	4,207	5,175	0.813
1978	4,593	5,698	0.806
1979	5,066	6,179	0.820
1980	5,397	6,860	0.787
1981	5,717	7,467	0.766
1982	6,217	7,917	0.785
1983	6,747	8,469	0.797

See notes and sources in Appendix K.

Fiscal Capacity: True Value of Real Estate and Public Service Corporations Per Capita

Year	Allegheny Highlands Score	Statewide Score	Highlands/Statewide Ratio
1974	9,847	13,711	0.718
1975	10,364	14,618	0.709
1976	11,364	15,561	0.730
1977	13,338	16,863	0.791
1978	15,461	18,848	0.820
1979	17,689	21,644	0.817
1980	18,730	24,316	0.770
1981	18,606	26,386	0.705
1982	19,735	27,495	0.718
1983	17,573	29,018	0.606

See notes and sources in Appendix K.

APPENDIX F

FISCAL CAPACITY
PROPOSED CITY OF ALLEGHANY HIGHLANDS
AND
VIRGINIA CITIES OF COMPARABLE SIZE
1983

1

Fiscal Capacity: True Value of Real Estate and Public Service Corporations Per Capita
In 1983

Locality	Jurisdictional Score	Statewide Score	Jurisdictional/Statewide Ratio
Allegheny Highlands City	17,573	29,018	0.606
Harrisonburg City	25,231	29,018	0.870
Hopewell City	18,083	29,018	0.623
Salem City	22,096	29,018	0.761
Staunton City	19,775	29,018	0.681

See notes and sources in Appendix K.

Fiscal Capacity: Total Adjusted Gross Income Per Capita
 In 1983

Locality	Jurisdictional Score	Statewide Score	Jurisdictional/Statewide Ratio
Allegheny Highlands City	6,747	8,469	0.797
Harrisonburg City	6,249	8,469	0.738
Hopewell City	7,190	8,469	0.849
Salem City	8,082	8,469	0.954
Staunton City	7,471	8,469	0.882

See notes and sources in Appendix K.

3
 Fiscal Capacity: Taxable Retail Sales Per Capita
 In 1983

Locality	Jurisdictional Score	Statewide Score	Jurisdictional/Statewide Ratio
Alleghany Highlands City	3,775	4,400	0.858
Harrisonburg City	9,492	4,400	2.157
Hopewell City	3,768	4,400	0.856
Selem City	7,282	4,400	1.655
Staunton City	5,594	4,400	1.271

See notes and sources in Appendix K.

4
 Fiscal Capacity: Modified Local Wealth Index Per Capita
 In 1983

Locality	Jurisdictional Score	Statewide Score	Jurisdictional/Statewide Ratio
Allegheny Highlands City	11,863	18,337	0.647
Harrisonburg City	16,064	18,337	0.876
Hopewell City	12,294	18,337	0.671
Salem City	15,009	18,337	0.819
Staunton City	13,435	18,337	0.733

See notes and sources in Appendix K.

APPENDIX G
FISCAL EFFORT
INTRAREGIONAL
1981-1984

Fiscal Effort
 Ratio Scores Based Upon the Local-Source Revenues of General Government

Locality	Local-Source Revenues Per Capita	Local-Source Revenues Per \$1,000 Of		Local-Source Revenues Per \$1,000 Of	Local-Source Revenues Per \$1,000 Of	Local-Source Revenues Per \$1,000 Of
		True Value	1			
Alleghany County	218.08	12.87	40.47	20.28	20.28	20.28
Clifton Forge City	309.05	21.41	56.34	31.58	31.58	31.58
Covington City	360.92	15.07	67.33	24.58	24.58	24.58
Alleghany High. City-FY 1981	279.74	14.94	51.83	23.64	23.64	23.64
Alleghany County	243.80	13.90	42.80	21.74	21.74	21.74
Clifton Forge City	357.63	26.09	59.79	37.21	37.21	37.21
Covington City	391.97	16.96	69.97	27.35	27.35	27.35
Alleghany High. City-FY 1982	310.23	16.67	54.26	26.06	26.06	26.06
Alleghany County	275.21	14.42	44.09	22.51	22.51	22.51
Clifton Forge City	386.80	26.51	60.02	37.69	37.69	37.69
Covington City	447.68	18.85	74.05	30.16	30.16	30.16
Alleghany High. City-FY 1983	348.71	17.67	56.09	27.48	27.48	27.48
Alleghany County	288.42	15.75	41.26	23.73	23.73	23.73
Clifton Forge City	392.22	26.17	58.65	37.14	37.14	37.14
Covington City	459.23	25.66	72.06	37.77	37.77	37.77
Alleghany High. City-FY 1984	359.29	20.45	53.25	30.29	30.29	30.29

See notes and sources in Appendix K.

APPENDIX H
FISCAL EFFORT
ALLEGHANY HIGHLANDS - ALL VIRGINIA CITIES AND COUNTIES

Fiscal Effort: Local-Source Revenues Per Capita

5

Year	Alleghany Highlands Score	Statewide Score	Highlands/Statewide Ratio
FY 1981	279.74	427.84	0.654
FY 1982	310.23	470.74	0.659
FY 1983	346.71	514.81	0.677
FY 1984	359.29	559.57	0.642

See notes and sources in Appendix K.

Fiscal Effort: Local-Source Revenues Per \$1,000 of the True Value of Real Estate and Public Service Corporations

Year	Allegheny Highlands Score	Statewide Score	Highlands/Statewide Ratio
FY 1981	14.94	17.59	0.849
FY 1982	16.67	17.84	0.934
FY 1983	17.67	18.72	0.944
FY 1984	20.45	19.28	1.061

See notes and sources in Appendix K.

Fiscal Effort: Local-Source Revenues Per \$1,000 of Total Adjusted Gross Income

Year	Allegheny Highlands Score	Statewide Score	Highlands/Statewide Ratio
FY 1981	51.83	62.37	0.831
FY 1982	54.26	63.04	0.861
FY 1983	56.09	65.02	0.863
FY 1984	53.25	66.07	0.806

See notes and sources in Appendix K.

5
Fiscal Effort: Local-Source Revenues Per \$1,000 of the Modified Local Wealth Index

Year	Allegheny Highlands Score	Statewide Score	Highlands/Statewide Ratio
FY 1981	23.64	28.03	0.843
FY 1982	26.06	28.42	0.917
FY 1983	27.48	29.74	0.924
FY 1984	30.29	30.52	0.992

See notes and sources in Appendix K.

APPENDIX I

FISCAL EFFORT
PROPOSED CITY OF ALLEGHANY HIGHLANDS
AND
VIRGINIA CITIES OF COMPARABLE SIZE
FY1983-84

5
 Fiscal Effort: Local-Source Revenues Per Capita
 In FY 1983-84

Locality	Jurisdictional Score	Statewide Score	Jurisdictional/Statewide Ratio
Allegheny Highlands City	359.29	559.57	0.642
Harrisonburg City	496.68	559.57	0.888
Hopewell City	551.97	559.57	0.986
Salem City	699.21	559.57	1.250
Staunton City	457.41	559.57	0.817

See notes and sources in Appendix K.

5
Fiscal Effort: Local-Source Revenues Per \$1,000 of the True Value of Real Estate and Public Service Corporations
In FY 1983-84

Locality	Jurisdictional Score	Statewide Score	Jurisdictional/Statewide Ratio
Allegheny Highlands City	20.45	19.28	1.060
Harrisonburg City	19.69	19.28	1.021
Hopewell City	30.52	19.28	1.583
Salem City	31.64	19.28	1.641
Staunton City	23.13	19.28	1.199

See notes and sources in Appendix K.

5
 Fiscal Effort: Local-Source Revenues Per \$1,000 of Total Adjusted Gross Income
 In FY 1983-84

Locality	Jurisdictional Score	Statewide Score	Jurisdictional/Statewide Ratio
Allegheny Highlands City	53.25	66.07	0.806
Harrisonburg City	79.48	66.07	1.203
Hopewell City	76.77	66.07	1.162
Salem City	86.51	66.07	1.309
Staunton City	61.23	66.07	0.927

See notes and sources in Appendix K.

5
 Fiscal Effort: Local-Source Revenues Per \$1,000 of the Modified Local Wealth Index
 In FY 1983-84

Locality	Jurisdictional Score	Statewide Score	Jurisdictional/Statewide Ratio
Allegheny Highlands City	30.29	30.52	0.993
Harrisonburg City	30.92	30.52	1.013
Hopewell City	44.90	30.52	1.471
Salem City	46.59	30.52	1.527
Staunton City	34.05	30.52	1.116

See notes and sources in Appendix K.

APPENDIX J
PROPERTY TAX DATA
INTRAREGIONAL
1974-1983

Assessed Values, Levies, and Levies Per \$1,000 of Assessed Values

Locality	Assessed Property Values Per Capita	Property Tax Levies Per Capita	Total Property Tax Levies Per \$1,000 of Assessed Property Values
Allegheny County	2,410.21	101.33	42.04
Clifton Forge City	2,625.92	90.11	34.31
Covington City	2,655.13	110.19	41.50
Allegheny High. City-1974	2,537.75	102.26	40.30
Allegheny County	2,342.31	99.46	42.46
Clifton Forge City	3,029.79	109.78	36.23
Covington City	2,919.85	121.17	41.50
Allegheny High. City-1975	2,675.53	108.99	40.73
Allegheny County	2,279.54	124.52	54.62
Clifton Forge City	3,020.92	129.90	43.00
Covington City	3,154.46	130.19	41.27
Allegheny High. City-1976	2,705.82	127.39	47.08
Allegheny County	2,381.27	130.17	54.66
Clifton Forge City	3,209.61	138.01	43.00
Covington City	7,182.77	144.63	20.16
Allegheny High. City-1977	4,089.49	136.37	33.35
Allegheny County	2,304.22	125.90	54.64
Clifton Forge City	7,300.68	140.58	19.26
Covington City	7,338.52	148.44	20.23
Allegheny High. City-1978	4,823.28	135.78	28.15
Allegheny County	2,326.78	127.27	54.70
Clifton Forge City	7,555.49	145.15	19.34
Covington City	7,568.77	153.66	20.30
Allegheny High. City-1979	4,918.17	138.98	28.26
Allegheny County	15,001.42	167.49	11.16
Clifton Forge City	8,024.34	152.78	19.04
Covington City	7,910.01	160.78	20.93
Allegheny High. City-1980	11,503.92	162.74	14.15
Allegheny County	15,476.32	178.53	11.54
Clifton Forge City	14,628.35	187.78	12.84
Covington City	8,156.11	177.23	21.73
Allegheny High. City-1981	13,036.00	179.76	13.79
Allegheny County	16,695.38	198.60	11.90
Clifton Forge City	14,538.29	196.11	13.49
Covington City	8,372.10	187.21	22.36
Allegheny High. City-1982	13,722.43	194.61	14.18

Locality	Assessed Property Value Per Capita	Total Property Tax Levies Per Capita	Property Tax Levies Per \$1,000 of Assessed Property Values
Allegheny County	17,343.57	207.51	11.96
Clifton Forge City	15,505.29	199.95	12.90
Covington City	19,815.25	208.27	10.51
Allegheny High. City-1983	17,756.04	206.36	11.62

See notes and sources in Appendix K.

APPENDIX K

EXPENDITURES
NANSEMOND/SUFFOLK -- ALL OTHER VIRGINIA CITIES AND COUNTIES
1969-1979

Operating Expenditures Per Capita

7

Year	(A)		(B) All Other Localities	(C) Ratio Of (A) to (B)
	Nansemond/Suffolk			
1969	194.61		214.85	0.906
1970	218.45		247.67	0.882
1971	247.72		276.46	0.896
1972	273.73		308.50	0.887
1973	296.97		336.16	0.883
1974	340.97		377.08	0.904
1975	392.58		434.46	0.904
1976	466.50		481.73	0.968
1977	459.97		508.13	0.905
1978	430.03		531.92	0.808
1979	485.73		583.55	0.832

7
Capital Outlays Per Capita

Year	(A)		(B)	(C) Ratio Of (A) to (B)
	Nansmond/Suffolk	All Other Localities		
1969	16.33	59.26	0.275	
1970	9.56	60.73	0.157	
1971	8.87	67.04	0.132	
1972	17.74	64.74	0.274	
1973	11.60	64.78	0.179	
1974	39.00	76.09	0.513	
1975	30.53	101.01	0.302	
1976	28.69	89.69	0.320	
1977	60.41	91.55	0.660	
1978	79.71	91.26	0.873	
1979	190.16	101.86	1.867	

Debt Service Expenditures Per Capita

Year	(A)		(B) All Other Localities	(C) Ratio Of (A) to (B)
	Nansemond/Suffolk			
1969	14.72		23.25	0.633
1970	14.52		26.94	0.539
1971	14.85		31.70	0.468
1972	14.77		36.28	0.407
1973	15.88		40.86	0.389
1974	15.19		42.15	0.360
1975	14.73		45.00	0.327
1976	14.44		47.88	0.302
1977	16.53		51.94	0.318
1978	57.13		55.62	1.027
1979	15.85		56.45	0.281

7
Total Expenditures Per Capita

Year	(A) Nansemond/Suffolk	(B) All Other Localities	(C) Ratio Of (A) to (B)
1969	225.65	297.36	0.759
1970	242.52	335.34	0.723
1971	271.44	375.20	0.723
1972	306.24	409.52	0.748
1973	324.44	441.79	0.734
1974	395.17	495.33	0.798
1975	437.84	580.47	0.754
1976	509.63	619.29	0.823
1977	536.92	651.61	0.824
1978	566.88	678.80	0.835
1979	691.74	741.85	0.932

Notes

1. The concept of true value refers to the full-market worth of locally taxed real estate and public service corporation property within a particular jurisdiction.
2. Derived from the administrative records of the State Department of Taxation, the adjusted gross income (AGI) statistics for a locality, while encompassing most dimensions of income, exclude Social Security benefits and various other transfer payments, contributions made by employers to private pension and health plans, non-cash imputed income, payments in-kind, 60% of long-term capital gains, and the income received by non-resident military personnel stationed in Virginia. It should be noted, too, that jurisdictional AGI figures do not reflect the income of residents who are exempt from the filing of state tax returns.
3. With respect to each county and city, the Virginia Department of Taxation annually estimates the level of taxable sales from tax revenue deposits rather than actual sales figures reported by local retailers.
4. The allocation of state aid to the public schools of a locality is based largely on a formula which takes measure of jurisdictional wealth through an additive index that combines 50% of the total true value of real estate and public service corporations, 40 % of the total personal income, and 10% of the total value of taxable retail sales within the entitlement county or city. The Commission has modified this local wealth index by substituting adjusted gross income for personal income, a necessary revision stemming from the estimation errors which have beset the latter variable in recent years. [See Dr. John L. Knapp, Deputy Director, Tayloe Murphy Institute, University of Virginia, "Statement of the Tayloe Murphy Institute in Regard to Virginia Personal Income Estimates" (presented to the House Appropriations Committee of the Virginia General Assembly on January 31, 1984); Tayloe Murphy Institute, University of Virginia, "Bureau of Economic Analysis Estimates: Virginia Personal Income by City and County, 1978-83," May 15, 1985.]
5. The local-source revenues of general government, as defined by the Virginia Auditor of Public Accounts, exclude payments from federal and state authorities, non-revenue receipts, and inter-fund transfers.
6. Total assessed (i.e., taxable) values and aggregate levies have been computed for each locality on an annual basis from data covering four revenue dimensions--real estate, tangible personal property, machinery and tools, and public service corporation taxes.
7. The expenditure profiles reflect all governmental costs except payments in lieu of taxes by enterprise and working capital funds.

Sources

Taylor Murphy Institute, University of Virginia, Distribution of Virginia Adjusted Gross Income by Income Class, 1974-1981, Table 1 (1974-1976), Table A1 (1977-1981); and Distribution of Virginia Adjusted Gross Income by Income Class and Locality, 1982-1983, Table A1.

Taylor Murphy Institute, University of Virginia, Intercensal Estimates and Decennial Census Counts for Virginia Localities, 1790-1980, February 1983, Table 1 (1971-1980) and Table 2 (1969-1970); and Estimates of the Population of Virginia Counties and Cities: 1983 and 1984, August 1985, Table 2 (1981-1984).

Virginia Auditor of Public Accounts, Report of Auditor of Public Accounts of Commonwealth of Virginia on Comparative Cost of City Government, Exhibits A and A-3, FY1969-FY1979; Report of Auditor of Public Accounts of Commonwealth of Virginia on Comparative Cost of County Government, Exhibit A, FY1969-FY1979; and Comparative Report of Local Government Revenues and Expenditures, Exhibit A, FY1981-FY1984.

Virginia Department of Taxation, Annual Report, FY1975-FY1984, Tables 5.4-5.7. This document contains local assessed values and tax levies for all classes of property.

Virginia Department of Taxation, Taxable Sales in Virginia Counties and Cities: Annual Report, 1974-1983.

Virginia Department of Taxation, Virginia Assessment/Sales Ratio Study, 1974-1983, Table 8 (1974-1977), Table 5 (1978), and Table 6 (1979-1983). This annual publication reports the true value of real estate and public service corporations by county and city.

APPENDIX L
RESOLUTION
OF
TOWN COUNCIL
TOWN OF IRON GATE

RESOLUTION

BY

THE TOWN COUNCIL OF IRON GATE

WHEREAS, the Board of Supervisors of Alleghany County has entered into a consolidation agreement with the City Council of Clifton Forge and with a Committee appointed by the Circuit Court of Alleghany County to act for and in lieu of the City Council of Covington;

WHEREAS, said consolidation agreement, if approved by a majority of the voters in each of the three jurisdictions, would create the consolidated City of Alleghany Highlands, which would substantially surround the Town of Iron Gate;

WHEREAS, the Town of Iron Gate is not a party to the consolidation agreement and, if the agreement is approved, will continue to function as a township as provided in Virginia Code §15.1-1146.1;

WHEREAS, by law, the Township of Iron Gate would continue to function as it does now, and the consolidated city would only exercise such powers within the township as are now exercised by the county; and

WHEREAS, this Council is aware that the Township of Iron Gate would lose the authority to become a city under Chapter 22 of Title 15.1 of the Virginia Code, the authority to annex under Article 1, Chapter 25, and any extraterritorial planning, subdivision and zoning authority it may have under Chapter 11.

NOW, THEREFORE, BE IS RESOLVED BY THE COUNCIL OF THE TOWN OF IRON GATE AS FOLLOWS:

That the Town Council shall make known to the Commission on Local Government and the Special Three-Judge Panel of the Circuit Court of Alleghany County to be hereafter appointed to review said consolidation plan:

1. That it has no objection to the approval of said plan and it supports the consolidation of the three jurisdictions into the City of Alleghany Highlands.

2. That the general economic and governmental benefits that will result in the region from the proposed consolidation will be greatly beneficial to the interests of the citizens of Iron Gate.

3. That in light of the general benefit of the proposed consolidation plan to the citizens of Iron Gate,

the incorporation of the City of Alleghany Highlands will not prematurely terminate the political growth of the Town of Iron Gate, nor will the town as a township be rendered inefficient or unduly dependent upon external resources.

4. That the Town Council is cognizant of the fact that under Virginia law "a township may transfer all or part of the revenues it receives, the services it performs, its facilities, other assets, and debts to the city by mutual agreement of the governing bodies," and that the parties to the consolidation agreement are receptive to the merger of the township into the consolidated city.

5. That if the consolidation agreement is approved, the merger of the township into the consolidated city will be the next logical step toward the orderly unification of government in the Alleghany Highlands community and toward the achievement of the larger economic benefits which would be made possible by that unification.

ADOPTED this 12th day of December, 1985.

Jay M. Nicely
Chairman

(SEAL)

ATTEST:

Jay M. Alchidge
Clerk